PLL RC 23-4

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REVENUE SHARING AND PAYMENTS IN LIEU OF TAXES ON THE PUBLIC LANDS

Volume IV
Case Studies (2)

EBS Management Consultants Incorporated
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The fourth volume in a four-volume study which analyzes 40 different Federal statutes providing for compensation to states and/or local governmental units through either revenue sharing or in lieu tax payments. Revenue sharing ranges from 5 to 90 percent of the receipts received. Also included are analyses of laws dealing with state-owned lands, as well as those of Canada and Australia. Intensive examination was also made of 5 states and 50 counties in 19 states to assess the impact of Federal land ownership. (PLLRC [illegible])

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CASE COUNTY DIGEST
GOGEBIC, MICHIGAN

I. The County

a. **General Description**: Gogebic County is the westernmost county in Michigan, bordering Wisconsin and Lake Superior. It is one of the 15 counties comprising the Upper Peninsula of Michigan and for many decades it was known as the "iron" county. Its county seat is Bessemer which is synonomous with the type of iron ore found in the county. There are a total of three municipalities, six townships, eight school districts and a presently defunct sanitary, water and sewer district. County, municipal and township governments are completely overlapping in their functions. All are engaged in administration, financial assessment and tax collection, and various other conventional local government functions. The governments of the municipalities and the townships operate quite independently of each other while the county is attempting to provide a coordinated approach to overall planning and resoure development, functional areas in which heavy reliance is placed upon the officials of the state government, and on Upper Peninsula-wide organizations such as Upper Peninsula Committee for Area Progress and Project Action. This somewhat unique environment prevailing in the socioeconomic picture of Gogebic County is attributable to the long standing decline in the county's population, economy, and the absence of a positive future outlook. These matters will be discussed in later sections of this digest.

b. **Vital Statistics**: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	24,370	1966	2	20,000	-17.9
Urban[1]	1960	1	16,791	1966	2	14,500	-13.6
Rural	1960	1	7,579	1966	2	5,500	-27.4
Employment	1959	3	4,529	1966	3	2,695	-40.5
Effective Buying Income ($000)	1960	2	36,357	1966	2	37,663	3.6
Per Capita EBI ($)	1960	2	1,502	1966	2	1,883	25.4
Public School Enrollment (K-12)	1960	1	5,735	1965	4	4,500	-21.5

1/ Includes areas of 2,500 people or more.

Sources: See Page C21-2

With the exception of effective buying income and per capita EBI, all figures in the preceding statistics show substantial rates of decline. Most significant is the decline in employment which, during the 1959-1966 period, exceeded the population decline rate by a factor of two; similarly, the decline in public school enrollment (K-12), which also exceeded the decline in total population, is an indication of the migration of young people from the county. Moreover, the substantial increase per capita EBI should not be considered as a particularly positive development. The increase of $380 per capita during the six-year period has, at best, accomplished an adjustment to income levels prevalent throughout most of the Upper Peninsula of Michigan and, specifically, the areas with mining employment.

c. The Land: Of the total land area of 711,680 acres, over 290,000 acres or about 40% are in Federal ownership. Of this acreage, 275,900 are part of the Ottawa National Forest managed by the Forest Service (FS). The remaining Federal lands are not subject to PILT and RS provisions. There are also state-owned lands in Gogebic as well as a small amount of county and municipally-owned lands.

II. County Finance

a. Revenue: Despite the considerable reduction in population, county revenues from all sources increased by over $2 million or 62% during the 10-year period 1957-1966. The detailed figures are contained in Table No. C-1. Most notably, during this period, revenues from property taxes declined by about $100,000 or 17% while revenues from other taxes and other sources accounted for the entire increase in total revenues. A major share of these increased revenues was composed of grants by the Federal and state governments unrelated to the presence of Federal land.

Outstanding bonded indebtedness increased two and one-half times the amount outstanding in 1956. Contrary to the most typical increases in bonded indebtedness, no bonds were issued during this period for school construction, two bond issues each were issued for hospital and road construction. All other bonds issued were for the financing of general utility and water and sewer systems. The summary appended at the end of the case study digest contains the detailed figures as of 1966.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

As can be seen from Table No. C-1a state taxes increased 72% per capita during the 1957-1960 period, reaching a level of $162. Local property taxes increased a modest 7% to $23 during the same period. Combined state and local taxes increased 60% per capita and 10% as a percent of EBI.

b. Expenditures: Total expenditures increased during the 10-year period at about the same rate as revenues, an increase of about $2.2 million or 62%. The largest share of the increase, about $1.5 million, was accounted for in the category "Other Expenditures." A significant amount of this increase was represented by welfare and related type payments. Despite the decline in school enrollment, expenses for education increased 48% during the 1957-1966 period while expenditures for highways increased at the lesser rate of 28%. On a per capita basis, the increase in total expenditures was at almost twice the rate of the dollar increase.

c. Property Tax: Records of the county and the various units of government within its boundaries do not permit the identification of property subject to taxation in the conventional assessment categories. The assessor's records identify urban and rural properties only, although it is understood that the category for rural properties includes, for example, mining properties in which a substantial decline has occurred during the 10-year period. Thus, the assessed values of real property for Gogebic County show a decline of from $59.5 million in 1957 to $44.1 million in 1966. Assessments during the entire period were based on 50% of market value and the average mill rate did not change.

Included in the assessed value were leaseholds on national forest lands which were estimated to have a total assessed value of $1 million, yielding an annual tax of $10,000. The summary appended at the end of the case study digest contains the details.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: The FS administering the Ottawa National Forest is the only revenue sharing program applicable to Gogebic County. Table No. C-4 contains figures for shared revenues for the 1957-1966 period. While there has not been any great overall change in the annual payments over the 1957-1966 period, considerable fluctuations occurred from one year to the next. Although the annual amounts of shared revenues are small in relation to the total county budget, accounting for less than 1% of total receipts or slightly more than 1% of total expenditures for education and highways, county officials mentioned that the fluctuations between years are of serious concern to them.

b. Indirect Benefits: The State of Michigan is not eligible for the BPR sliding scale aid program but does obtain payments under the Federal Forest Highway Aid Program. These payments are not allocable to a specific county.

c. Value of Free Goods and Services: The FS provided the county with a variety of free construction material and the free use of various tracts of land as well as the free use of a storage building. Additionally, through the facilities of the Forest Service Job Corps, labor was provided free of charge for county activities. Based on estimates of the FS of the value of these various goods and services, it was estimated that their value in 1966 amounted to $9,912. Table No. C-6 contains the detailed information.

d. Federal Facilities and Services Having Joint Use: The FS indicated that the county and its population benefited from the use of several roads constructed and maintained by the FS. The benefit to the local government was estimated at 50% of annualized cost and amounted to a total of $106,645.

e. Resource Expenditures - Management: The FS expended considerable funds within its resource programs. From a low of about $153,000 in 1957, expenditures reached a high of over $1.1 million in 1963 and averaged more than $400,000 in each of the years 1957-1966. Of these expenditures an unusually small 14% was spent for administrative and operating expenses. Table No. C-7 contains the annual totals while Table No. C-7a contains the details by expenditure category. In 1963 and 1964 considerable amounts were spent by the FS from funds originating with the Accelerated Public Works Program (APW) administered by the Economic Development Administration, U. S. Department of Commerce. The APW expenditures are responsible for the above average expenditures for 1963 and 1964.

The survey of management functions performed by the FS indicates that in addition to its conventional functions it engaged in activities to assist the lagging county economy and specifically provide direct employment opportunities for some of the county's unemployed. It is understood that these special activities are "stop-gap measures" which are not fundamentally geared toward the improvement of the long-term economic outlook or a maximization of the forest resources in terms of the revenue sharing which might become available in future years.

IV. Burdens to Local Government

a. Direct Burdens: Officials of the county claim that they are required to maintain some 100 miles of road on Federal land as the county benefits from the use of FS maintained roads. In addition, lesser expenditures are incurred for law enforcement, fire protection and sewer and utility services, all directly related to the presence of public lands.

Based on interviews with local officials and review of their records, the following annual burdens for which no direct reimbursements by Federal agencies were made, have been estimated:

Maintenance of Roads	$30,000
Law Enforcement	5,000
Fire Protection	5,000
Sewer, Utility Services	11,000
Total Direct Burdens	$51,000

b. Indirect Burden: The immunity of the Federal lands from taxation by local government represents the loss of substantial tax revenue. Although the timber lands in Gogebic County are not of the highest value, there is a considerable quantity of saw timber with relatively dense stands which have an above average timberland value. Additionally, there are two large tracts totaling almost 20,000 acres which are of residential quality. In due consideration of the low level of economic activity in the county, it is questionable whether and what share of the Federal lands, if they were in private ownership would generate property tax receipts. To provide a measure of comparison, Table No. C-8 shows the estimated assessed value and potential property tax applicable to the national forest lands. It shows a total estimated tax of $251,840, amounting to 91¢/acre.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: The figures in Table No. C-4 are those resulting after reduction of gross receipts by specified costs. Table No. C-9 contains the 10-year data for gross receipts, specified costs and the resulting loss in the amount available for revenue sharing. These reductions varied from a low of $956 in 1966 to a high of $3,602 in 1961. The revenue share "lost" in 1966 represented less than 3% of the revenue shared. In other words, specified costs of $3,827 were far less than the average specified costs observed in most county case studies. It is not known what caused the considerable reduction in the percentage of specified costs which in 1961 accounted for more than 12% of gross receipts as opposed to the less than 3% in 1966.

d. Public Laws 815 and 874: During the years 1962-1966 the Gogebic County school system qualified for Federal aid payments under Public Law 874. Table No. C-10 contains the detailed figures.

V. Impact of Present System

a. County Finance: The impact of the present system upon local government, disregarding the overall economic conditions in the county, is shown by the following summary figures (1966 figures):

Revenue Sharing (C-4)	$ 33,024
Free Goods and Services (C-6)	9,912
Joint Use Facilities Services (III.d.)	106,645
Total Direct Benefits	$149,581

From these must be deducted the financial burdens resulting from the presence of public lands:

Direct Burdens (IV.a.)	$ 51,000
Resulting Net Direct Benefits	$ 98,581 = 36¢/acre

This relatively high net benefit per acre might be distorted by the estimated value of the county's joint use of forest highways. If the figures were reduced by that amount and likewise the direct burden eliminated, the result would be a net benefit of $42,936, equal to 16¢/acre. Comparing the latter figures with the potential tax revenue, if the lands were in private ownership, a disparity at the approximate rate of one to six results. If the benefits from the free use of forest roads, less the direct burdens, are used in the comparison, the tax potential under private ownership results in a disparity at the rate of approximately one to three.

b. The Overview: Gogebic County is afflicted with serious economic problems. While they are primarily the result of the depletion of high grade iron ores in the county, the presence of the national forest has made no substantial contribution to economic recovery to which considerable resources have been applied. The net benefits to the county from the presence of the national forest are considered by local officials to be less than those which accrue in other counties from the privately and state owned timber stands. The State of Michigan pays a minimum of 20¢/acre per year on state owned lands in all of the upper two-thirds of the state while it pays full real property taxes on all of its lands in the southern one-third of the state. A comparison of in lieu tax payments under the state system and the revenue sharing program from the forest lands shows that cash benefits under the revenue sharing program have been substantially less than the state PILT program generates. As is typical in many Federal land-intense counties, local officials place little reliance and practically no value on the indirect benefits obtained from the Federal lands and are adamant in their contention that the cash benefits are below the payments which would accrue if the lands were in either state or private ownership.

GOGEBIC, MICHIGAN

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Residential Recreational Commercial	$1,000,000[1]	$10,000
	Total	$1,000,000	$10,000

[1] Estimated based upon tax received and average millage rate.

Source: Federal Agencies' Field Offices and County Tax Assessor

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Hospital	$ 400,000	$245,000
Roads	100,000	8,800
Utility	347,161	94,800
Water & Sewage	224,000	218,000
Total	$1,071,161	$566,600

Source: Gogebic County Audit Reports.

C21-7

C21-8

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Gogebic

STATE Michigan

Year	Real Property1/ (1)	Personal Property1/ (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 522,576	$ 39,334	$ 561,910	$ 2,986,689	$ 3,548,599
1958	562,518	42,340	604,858	2,857,848	3,462,706
1959	518,914	39,058	557,972	3,323,535	3,881,507
1960	508,609	38,282	546,891	3,553,348	4,100,239
1961	525,232	39,534	564,766	3,539,392	4,104,158
1962	490,063	36,886	526,949	4,135,077	4,662,026
1963	464,728	34,979	499,707	4,107,575	4,607,282
1964	422,153	31,775	453,928	3,939,245	4,393,173
1965	435,021	32,743	467,764	4,757,245	5,225,009
1966	433,634	32,639	466,273	5,277,075	5,743,348
% incr./decr. '66 vs. 1st yr.	(17.0)	(17.0)	(17.0)	76.7	61.8

1/ Allocation between real and personal property tax estimated, specific figures for each not available at source.

Source: Gogebic County Audit Reports.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME
1957 - 1966

COUNTY Gogebic

STATE Michigan

YEAR	State Taxes ($000) Sales & Gross Receipts (1)	State Taxes ($000) Individual Income (2)	State Taxes ($000) Other 1/ (3)	State Taxes ($000) Total 1/ (4)	Total State Taxes % of EBI (5)	Total State Taxes Per Capita($) (6)	Local Property Taxes % of EBI (7)	Local Property Taxes Per Capita($) (8)	Total of State & Local Property Taxes % of EBI (9)	Total of State & Local Property Taxes Per Capita($) (10)
1957	1,615	0	823	2,438	7.27	94.13	1.68	21.70	8.95	115.83
1958	1,568	0	841	2,409	7.19	93.37	1.80	23.44	8.99	116.81
1959	1,537	0	843	2,380	6.38	91.19	1.50	21.38	7.88	112.57
1960	1,767	0	974	2,741	7.54	113.26	1.50	22.60	9.04	135.86
1961	1,869	0	922	2,791	8.83	116.29	1.79	23.53	10.62	139.82
1962	1,852	0	894	2,746	8.07	112.54	1.55	21.60	9.62	134.14
1963	1,973	0	976	2,949	8.26	122.88	1.40	20.82	9.66	143.70
1964	1,942	0	990	2,932	7.82	127.48	1.21	19.74	9.03	147.22
1965	1,986	0	954	2,940	7.78	142.72	1.24	22.71	9.02	165.43
1966	2,191	0	1,045	3,236	8.59	161.80	1.24	23.31	9.83	185.11

1/ Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

C21-9

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Gogebic

STATE Michigan

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$ 975,671	$ 813,961	$ 1,778,325	$ 3,567,957	$ 138
1958	824,607	722,317	1,908,328	3,455,252	134
1959	1,054,877	682,800	2,112,833	3,850,510	148
1960	1,077,281	755,374	2,276,198	4,108,853	170
1961	985,499	746,204	2,482,852	4,214,555	176
1962	1,149,871	827,907	2,713,697	4,691,475	188
1963	1,247,617	898,284	2,844,566	4,990,467	208
1964	1,138,981	820,067	2,596,878	4,555,926	198
1965	1,255,790	777,407	3,153,869	5,187,066	252
1966	1,447,962	1,042,533	3,301,353	5,791,848	290
% incr./decr.'66 vs. first year	48.4	28.1	85.6	62.3	110.1
% incr./decr.'66 vs. first year per capita	92.2	65.9	140.4	110.1	

Source: Gogebic County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management

County Gogebic

State Michigan

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Urban	(2) Commercial Industrial 2/	(3) Public Utility 2/	(4) Rural	(5) Mineral, Timber Other Nat. Res. 2/	(6) Personal 2/	(7) Other 2/	(8) Total Assessed Value
1957 Assessed Value	$33,171,130			$26,382,070				$59,553,200
Aver Tax Rate 10 mills								
Item % of Total	55.7			44.3				100.0
1958 Assessed Value	33,924,370			24,870,030				58,794,400
Aver. Tax Rate 10 mills								
1959 Assessed Value	32,787,450			24,036,550				56,824,000
Aver. Tax Rate 10 mills								
1960 Assessed Value	35,502,000			26,026,600				61,528,600
Aver. Tax Rate 10 mills								
1961 Assessed Value	34,302,130			25,146,970				59,449,100
Aver. Tax Rate 10 mills								
1962 Assessed Value	32,005,210			23,463,090				55,468,300
Aver. Tax Rate 10 mills								
1963 Assessed Value	30,350,600			22,250,100				52,600,700
Aver. Tax Rate 10 mills								
1964 Assessed Value	27,570,160			20,211,740				47,781,900
Aver. Tax Rate 10 mills								
1965 Assessed Value	26,802,881			19,649,253				46,452,134
Aver. Tax Rate 10 mills								
1966 Assessed Value 1/	25,444,900			18,618,376				44,063,276
Aver Tax Rate 10 mills								
Item % of Total	57.7			42.3				100.0
Increase/Decrease 66 vs. '57	(23.3)			(29.4)				26.1

1/ Assessed value represents 50 percent of actual market value in 1966.

2/ Included in other items.

Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = MICHIGAN										
COUNTY = GOGEBIC										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	28647	22770	19844	23732	26093	15122	28297	35855	21564	33023
PERCENT BASE YEAR	100.0	79.5	69.3	82.8	91.1	52.8	98.8	125.2	75.3	115.3
PROGRAM ACREAGE	273567	273568	273762	273803	273843	273711	273723	273795	275970	275974
REVENUE $ PER ACRE	0.10	0.08	0.07	0.09	0.10	0.06	0.10	0.13	0.08	0.12
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	28647	22770	19844	23732	26093	15122	28297	35855	21564	33023
PERCENT BASE YEAR	100.0	79.5	69.3	82.8	91.1	52.8	98.8	125.2	75.3	115.3
PROGRAM ACREAGE	273567	273568	273762	273803	273843	273711	273723	273795	275970	275974
REVENUE $ PER ACRE	0.10	0.08	0.07	0.09	0.10	0.06	0.10	0.13	0.08	0.12

C21-12

This county does not have any Nonsection 10 land programs.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Gogebic

STATE: Michigan

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Construction Material	$ 2,068
	Land	1,844
	Road & Dump Construction	6,000[1/]
	Total	$ 9,912

[1/] Provided by Job Corps to County.

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County Gogebic

State Michigan

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 47,650	$ 105,153	$ 152,803
1958	49,063	148,882	197,945
1959	41,854	145,291	187,145
1960	50,767	132,265	183,032
1961	47,143	139,698	186,841
1962	53,291	273,637	326,928
1963	51,464	1,051,317	1,102,781
1964	77,008	741,743	818,751
1965	77,097	432,215	509,312
1966	82,757	257,680	340,437
Average Year	57,809	342,788	400,597
Item % of Total, Average Year	14.4	85.6	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Ottowa National Forest

County Gogebic

State Michigan

TABLE NO. C-7a

Page 1 of 1

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 5,993	$ 0	$ 52	$ 74,500	$ 20,142	$ 1,695	$ 1,572	$ 1,199	$47,650	$ 152,803
1958	8,439	0	59	88,600	42,173	1,704	7,569	338	49,063	197,945
1959	11,491	0	310	62,450	51,650	1,982	16,678	730	41,854	187,145
1960	10,645	0	7	61,200	48,195	2,426	8,491	1,301	50,767	183,032
1961	13,111	0	20	36,000	63,446	2,663	23,480	978	47,143	186,841
1962	10,724	0	1,582	127,050	100,964	9,461	22,404	1,452	53,291	326,928
1963	23,846	0	1,471	415,480	393,235	1,376	189,363	26,546	51,464	1,102,781[1]
1964	18,175	0	1,449	429,515	143,977	1,068	108,997	38,562	77,008	818,751[1]
1965	12,233	0	1,381	260,450	120,231	1,143	31,290	5,487	77,097	509,312
1966	11,130	0	960	90,000	122,298	2,745	26,478	4,069	82,757	340,437

1/ Includes funds from Accelerated Public Works (APW) Program.

Source: Federal Agencies' Field Offices.

C21-15

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Gogebic

STATE Michigan

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Sylvania Tract	$ 241.75	14,890	$ 3,598,500	9.2	$ 33,106	222¢
Residential	114.75	4,507	516,900	9.2	4,755	106
Timber	183.25	58,163	10,659,400	9.2	98,066	169
Cutover Timber	63.50	198,414	12,599,289	9.2	115,913	58
Totals	$ 99.20	275,974	$ 27,374,089	9.2	$ 251,840	91¢

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

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Federal Agency Forest Service

Revenue Sharing Program Ottowa National Forest (25%)[a/]

County Gogebic

State Michigan

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 × a/)
1957	$ 128,877	$ 14,286	$ 114,591	$ 28,548	$ 3,572
1958	100,861	9,778	91,083	22,771	2,445
1959	92,174	12,797	79,377	19,844	3,199
1960	105,818	10,889	94,928	23,732	2,722
1961	118,784	14,409	104,375	26,094	3,602
1962	73,260	12,771	60,489	15,122	3,193
1963	122,358	9,170	113,188	28,297	2,293
1964	150,325	6,902	143,423	35,856	1,726
1965	91,563	5,305	86,258	21,565	1,326
1966	135,922	3,827	132,095	33,024	956

Source Federal Agencies' Field Offices.

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County Gogebic

State Michigan

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACIED AREAS

Years	Total School Budget	P.L. 815 Aid Provided	P.L. 815 % of Total Budget	P.L. 874 Aid Provided	P.L. 874 % of Total Budget
1957	$ 0	$ 0	0	$ 0	0
1958	0	0	0	0	0
1959	0	0	0	0	0
1960	0	0	0	0	0
1961	0	0	0	0	0
1962	1,149,871	0	0	3,325	.3
1963	1,247,617	0	0	11,402	.9
1964	1,138,981	0	0	9,372	.8
1965	1,255,790	0	0	1,063	.1
1966	1,447,962	0	0	9,313	.6

Sources: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

CASE COUNTY DIGEST
CASS, MINNESOTA

I. The County

a. General Description: Cass County is one of the larger counties in the state and is located in the north-central part, approximately 150 miles south of the Canadian Border. It is a rural county with no large population centers; the county seat is the municipality of Walker and there are 14 municipalities, 50 townships and 12 school districts therein.

The townships comprise practically all of the land area which is not a part of the incorporated municipalities. Typically these townships do not provide their own public services except for a minimal activity in such fields as road maintenance and fire protection. The municipalities are self-sufficient in respect of law enforcement, public safety, fire protection, sanitation facilities, cemetery and utility operations. They also provide certain inputs to the county government relative to assessments of property and financial needs. The county is the primary governmental organization providing the same full range of services to the county's population. It exercises financial control, provides tax assessment and tax collection, furnishes all legal services, highway construction and maintenance, welfare and health services.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	16,720	1966	2	16,600	-0.7
Urban[1]	1960	1	0	1966	2	0	0
Rural	1960	1	16,720	1966	2	16,600	-0.7
Employment	1959	3	977	1966	3	1,154	18.1
Effective Buying Income ($000)	1960	2	17,734	1966	2	25,885	46.0
Per Capita EBI ($)	1960	2	1,075	1966	2	1,559	45.0
Public School Enrollment (K-12)	1960	1	4,356	1965	4	4,300	-1.3

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[1] Includes areas of 2,500 people or more.

Sources: See Page C22-2.

During the late 1950's the county population increased. Since 1960 it has fluctuated from year to year, and the 1966 population was essentially the same as for 1960. For over a decade economic conditions in the county were poor and only a very small employment base was provided. During the 1959-1966 period, however, total reported employment increased by 18%, and though total effective buying income and per capita EBI increased at a greater rate, average income remained at a distinctly depressed level and was substantially lower than for other rural counties in the state and the nation as a whole. Public school enrollment (K-12) declined at a slightly greater rate than the population as a whole and for 1965 about one out of every four county residents was enrolled in the county's public school system.

c. The Land: Of the more than 1.3 million acres in Cass County, it is estimated that only slightly over 500,000 acres are taxable. The remainder is in Federal, state and county ownership and comprises almost entirely forest lands. The Federal land ownership in Cass County consists of some 283,000 acres which are part of Chippewa National Forest. Located within this forest in the county is Leach Lake Indian Reservation which covers approximately 60% of the national forest area within the county. This reservation is known as an "open" reservation and, as a result of this designation, creates some peculiar problems for the county and imposes some extreme financial burdens.

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the period 1957-1966. It shows an increase in total receipts of $2.2 million or 58%. Two-thirds of this increased revenue was obtained from property taxes which rose by over $1.4 million and in 1966 provided 39% of total county receipts.

Included in "Other Taxes and Revenues" are those from bond issues, the outstanding balance of which increased from $745,000 in 1957 to over $4.6 million in 1966. Almost the entire increase is allocable to school bonds. The summary attached to the end of the case study digest contains details for the 1966 outstanding indebtedness by bond category.

Sources:
1. U.S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U.S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U.S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

Table No. C-1a reflects the relatively high level of taxation as a percent of EBI. Total state taxes per capita increased from $60 in 1957 to $113 in 1966 while local property taxes increased from $49 to $145 in the same years. On a per capita basis total state and local property taxes increased by 136% and 38% as a percent of EBI.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the 10-year study period. It shows an increase in total expenditures of about the same magnitude as revenues. The largest share of the increased expenditures, included in the category "Other Expenditures," is attributatle to welfare expenses which, according to county officials, is a direct function of the persistent unemployment and under-unemployment of the county work force and the large number of Indians residing in the "open" reservation. Expenditures for highway maintenance also rose sharply and this, too, it was reported, was directly related to the presence of the Indian reservation and the logging operations in the national forest. Expenditures for education rose moderately, though in face of a declining student enrollment the increase of over $650,000 during the 10-year period is considerable. On a per capita basis, expenditures increased by 82% and reached the relatively high level of $364.

c. Property Taxes: Table No. C-3 contains detailed data for the assessed value of property subject to taxes for the period 1957-1966. Total assessed values rose sharply, about $4.7 million or 121%. This increase was partly due to a reassignment of properties to conform with state directives which became effective in 1966. At that time the assessed values of properties were raised by almost 50% though the applicable tax rate was reduced by about 15%. This jump in effective taxation is also reflected in the figures in Table No. C-1a which shows an increase in per capita local property taxes of from $114.80 in 1965 to $145.37 in 1966.

Included in the assessed values are those applying to residential leasehold improvements on national forest lands. The summary at the end of the case study digest shows a total assessed value of under $37,000, yielding tax revenues of $11,750.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: The only RS program in the county is that relating to the National Forest Fund. Table No. C-4 contains acreage and payment data for the 10-year study period. Having reached a peak of over $30,000 in 1960, payments declined in all but two of the years since then. The payment to the county of slightly under $19,000 in 1966 was the only direct payment obtained due to the presence of the Federal land.

b. Indirect Benefits: The state of Minnesota is not eligible for the BPR Sliding Scale Highway Aid payments.

c. Value of Free Goods and Services: The Forest Service has provided the county with certain construction materials and some tracts of land for use as rights-of-way, refuse grounds and an airport approach area. Table No. C-6 contains an estimate of the annual value of these free goods and land use which is approximately $4,800.

d. Federal Facilities and Services Having Joint Use: The county benefited from the use of roads and bridges constructed and maintained by the Forest Service. Based on the construction cost, annual maintenance cost, and the percent of usage of these facilities by the county, it was estimated that an annual benefit of about $20,600 has been obtained therefrom.

e. Resource Expenditures - Management: The Forest Service made expenditures in each of the years during the 10-year study period. Table No. C-7 contains the figures for that period. The 1966 figures include expenditures made within the framework of the Job Corps Program which were reported at over $1.8 million for that year and without which total resource expenditures for that year would have amounted to $676,120, a level somewhat below that of the two preceding years. Table No. C-7a1 contains the expenditure data by expenditure category. Expenditures in column "Other" include those expenditures made within the framework of the accelerated Public Works Program.

The survey of management functions performed by the Chippewa National Forest administration indicates that in addition to the routine forest management functions, the agency was also involved in National Defense activities, silviculture management of forest land, management of forested land, management of wildlife habitat, and the purchase and exchange of land.

IV. Burdens to Local Government

a. Direct Burdens: Due to the fact that there are a large number of Indians residing within the national forest, peculiar and heavy financial burdens are imposed upon county finance though these burdens, for the most part, are not directly a function of the presence of public lands in the conventional sense. To clarify, if it were not for the Indian population, the county's financial burdens for the provision of services on and relating to the national forest lands would be materially reduced. Moreover, if the Indian reservation were not designated as an "open" reservation, the welfare and related financial burdens would be borne entirely by the Bureau of Indian Affairs.

Based on discussions with county officials, the review of their records and consultations on the subject, it appears appropriate to identify the following burdens as being directly attributable to the presence of the national forest within Cass County:

Highway Maintenance	$ 50,000
Law Enforcement	20,000
Welfare Services	50,000
Total	$120,000

In contrast with the above, the county welfare department identified the cost of providing welfare services for the Indian population at well over $1 million, of which approximately $290,000 was financed with county property taxes and the balance from state and Federal aid programs. The incremental burden of about $240,000 in the welfare costs upon the Federal lands in the context of this study, which are attributable to the Indian population, is not recognized as a direct burden attributable to the conventional "presence of public lands."

b. Indirect Burden: The presence of the public land in the county deprives county government of the tree-growth tax which would be levied upon the national forest lands if they were in private ownership. Based upon a calculation of the equivalent of assessable value and ad valorem tax rate to the tax growth tax, Table No. C-8 has been prepared. It shows a potential tax revenue from the national forest lands within the county of over $126,000, averaging 45c/acre.

c. Loss in Revenue As a Result of Sharing Net Versus Gross: The forest Service made K-V Fund collections in each year of the 10-year study period. However, data for the period preceding 1961 are not available. Moreover, the K-V Fund collections are not directly linked to the timber sales within the county but, rather, to the timber sales in the forest as a whole. Just as the net payments to this county are allocated on the basis of the Chippewa National Forest acreage within this county as a percent of the entire forest, so have K-V Fund collections been allocated for the purposes of this study on the same ratio basis. Table No. C-9 contains the appropriate figures. They show that the K-V Fund collections as a percent of gross revenues varied from a low of 24% in 1963 to a high of 62% in 1965. The resulting revenue share "lost" in 1965 was equal to 72% of the revenue shared and, in 1966, it was equal to 51% of the revenue shared.

d. Public Laws 815 and 874: The county obtained payments under both of these laws in each of the years during the 10-year period. Appropriate figures are contained in Table No. C-10.

V. Impact of Present System

a. County Finance: Irrespective of the peculiar problem resulting from the Indian reservation within the county, the present RS program is of considerable disadvantage to county finances. Not only is the loss of tree-growth tax far greater than the combined RS payments and in-kind services but, additionally, considerable financial burdens are incurred for highway maintenance, law enforcement and welfare services attributable to the presence of these public lands. A summary of the financial impact, based on the 1966 figures, is as follows:

Revenue Sharing (C-4)	$18,969
Free Goods and Services (C-6)	4,793
Joint Use Facilities (III.d.)	20,600
Total Direct Benefits	$44,362

From these must be deducted the direct burdens attributable to the presence of public lands:

Direct Burden (IV.a.)	$120,000
Resulting Net Burden	$ 75,638

b. The Overview: From the county's point of view the net burden imposed upon it by the presence of the public land is far in excess of that identified above. Admittedly, extraordinary welfare costs, which in large measure are attributable to the Indian population upon the public lands, reflect not only a great burden upon county finances but is one which is related to the presence of public lands. This is so because it is most unlikely that if these lands were not in Federal ownership the Indian population, and specifically the "open" reservation, would not be located there.

Disregarding the above-mentioned peculiar problem, the gross benefit accruing to the county under the present RS system amounted in 1966 to an average of 15.7c/acre. This figure was obtained by dividing the total gross benefit by the applicable acreage. Comparing this benefit with the potential property tax revenue shows that it is approximately one-third the revenue which might have accrued to the county from private ownership. Moreover, the county also incurs the other identified financial burdens for which it might be compensated if these lands had been in private ownership and if the roads constructed by the Forest Service had not been turned over to the county for maintenance.

In summary, the impact of the present RS system upon Cass County causes a severe financial burden.

CASS, MINNESOTA

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Residential	$36,820[1/]	$11,749
	Rights-of-way		
	Other	0	0
	Total	$36,820	$11,749

1/ Estimate. Based on average county mill rate - Abstract of Real and Personal Property, State of Minnesota.

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Schools	NA	$4,007,000
Sewers	NA	376,700
Roads & Bridges	NA	21,440
Funding & Refunding	NA	0
Buildings	NA	87,000
Public Service	NA	96,000
Other	NA	12,000
Total	NA	$4,600,140

Source: Cass County Audit Reports.

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TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Cass

STATE Minnesota

Year	Real Property1/ (1)	Personal Property1/ (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 657,551	$ 281,137	$ 938,688	$ 2,940,508	$ 3,879,196
1958	756,741	318,939	1,075,680	2,524,812	3,600,492
1959	775,976	337,812	1,113,788	2,626,858	3,740,646
1960	938,866	370,205	1,309,071	3,823,353	5,132,424
1961	977,002	416,327	1,393,329	3,525,712	4,919,041
1962	1,143,392	386,434	1,529,826	3,178,449	4,708,275
1963	1,197,283	457,108	1,654,391	3,381,909	5,036,300
1964	1,300,608	485,941	1,786,549	3,357,775	5,144,324
1965	1,500,465	393,583	1,894,048	3,708,767	5,602,815
1966	1,903,934	509,164	2,413,098	3,707,119	6,120,217
% incr./decr. '66 vs. 1st yr.	189.5	81.1	157.1	26.1	57.8

1/ Real and personal property taxes allocated, based on State of Minnesota Abstract of Assessments.

Source: Cass County Audit Reports and Stace of Minnesota Abstract of Assessment.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY Cass

STATE Minnesota

	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
YEAR	Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	403	209	526	1,138	6.55	59.89	5.40	49.40	11.95	109.29
1958	409	243	586	1,238	6.77	68.40	5.88	59.43	12.65	127.83
1959	389	261	537	1,187	5.88	63.48	5.52	59.56	11.41	123.04
1960	422	255	475	1,152	6.50	69.82	7.38	79.34	13.88	149.16
1961	456	277	538	1,271	7.03	78.46	7.71	86.01	14.74	164.47
1962	466	356	512	1,334	6.80	79.88	7.80	91.61	14.60	171.49
1963	482	416	541	1,439	7.17	86.17	8.24	99.07	15.41	185.24
1964	587	428	582	1,597	7.43	96.20	8.31	107.62	15.74	203.82
1965	584	493	583	1,660	7.46	100.61	8.51	114.79	15.97	215.40
1966	607	635	628	1,870	7.22	112.65	9.32	145.37	16.54	258.02

1/ Excludes Corporation Net Income Taxes.

Sources: Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col. (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Cass

STATE Minnesota

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$1,521,750	$ 344,415	$ 1,932,823	$ 3,798,988	$ 200
1958	1,335,965	398,013	2,110,053	3,844,031	212
1959	1,161,232	491,740	2,046,977	3,699,949	198
1960	1,475,395	451,047	2,956,076	4,882,518	292
1961	2,117,336	388,880	2,464,158	4,970,374	307
1962	1,659,347	614,566	2,466,940	4,740,853	284
1963	1,825,826	537,058	2,490,458	4,853,342	291
1964	1,779,489	698,648	2,726,536	5,204,673	314
1965	2,172,132	722,159	2,731,073	5,625,364	341
1966	2,178,218	651,801	3,210,740	6,040,759	364
% incr./decr.'66 vs. first year	43.1	89.2	66.1	59.0	82.0
% incr./decr.'66 vs. first year per capita	63.8	116.7	89.2	82.0	

Source: Cass County Audit Reports.
Col. (5); Col. (4) divided by population estimates, Sales Management.

County Cass

State Minnesota

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial, Industrial 2/	(3) Public Utility 2/	(4) Rural	(5) Mineral, Timber Other Nat. Res. 2/	(6) Personal	(7) Other 2/	(8) Total Assessed Value
1957 Assessed Value	$ 896,000	$	$	$ 1,809,000	$	$ 1,156,470	$	$3,861,470
Aver. Tax Rate 243.1 mills								
Item % of Total	23.2			46.8		30.0		100.0
1958 Assessed Value	919,000			1,831,000		1,158,940		3,908,940
Aver. Tax Rate 275.2 mills								
1959 Assessed Value	954,000			1,905,000		1,244,250		4,103,250
Aver. Tax Rate 271.5 mills								
1960 Assessed Value	969,000			1,921,000		1,139,450		4,029,450
Aver. Tax Rate 324.9 mills								
1961 Assessed Value	948,000			2,242,000		1,359,220		4,549,220
Aver. Tax Rate 306.3 mills								
1962 Assessed Value	955,000			2,264,000		1,087,630		4,306,630
Aver. Tax Rate 355.3 mills								
1963 Assessed Value	1,109,000			2,993,000		1,565,980		5,667,980
Aver. Tax Rate 291.9 mills								
1964 Assessed Value	1,121,000			3,014,000		1,544,640		5,679,640
Aver. Tax Rate 314.6 mills								
1965 Assessed Value	1,163,000			3,380,000		1,191,600		5,734,600
Aver. Tax Rate 330.3 mills								
1966 Assessed Value 1/	1,893,000			4,852,000		1,803,630		8,548,630
Aver. Tax Rate 282.3 mills								
Item % of Total	22.1			56.8		21.1		100.0
Increase/Decrease '66 vs. '57	111.3			168.2		56.0		121.4

1/Assessed value represents approximately 10 percent of actual market value in 1966. The assessed values represented above are 20%, 25%, 33 1/3% and 40% of the true and full values. True and full values represent 30% of actual market value.

2/Included in other items.

Source: Abstract of Real and Personal Property - State of Minnesota.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = MINNESOTA COUNTY = CASS										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	22032	20247	26373	30247	24452	22934	25469	18078	19224	18968
PERCENT BASE YEAR	100.0	91.9	119.7	137.3	111.0	104.1	115.6	82.1	87.3	86.1
PROGRAM ACREAGE	278801	280739	281456	281648	281981	282301	282323	282435	282435	283210
REVENUE $ PER ACRE	0.08	0.07	0.09	0.11	0.09	0.08	0.09	0.06	0.07	0.07
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	22032	20247	26373	30247	24452	22934	25469	18078	19224	18968
PERCENT BASE YEAR	100.0	91.9	119.7	137.3	111.0	104.1	115.6	82.1	87.3	86.1
PROGRAM ACREAGE	278801	280739	281456	281648	281981	282301	282323	282435	282435	283210
REVENUE $ PER ACRE	0.08	0.07	0.09	0.11	0.09	0.08	0.09	0.06	0.07	0.07

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are affected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4A
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-NON SECTION 10 LANDS
(AND TOTALS FOR ALL SECTION 10 AND NONSECTION 10 PROGRAMS)

---- DESCRIPTION ----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = MINNESOTA COUNTY = CASS										
FLOOD CONTROL PROGRAM										
FEDERAL PAYMENTS ($)	0	0	2044	488	512	692	666	660	660	0
PERCENT BASE YEAR	0.0	0.0	100.0	23.9	25.0	33.9	32.6	32.3	32.3	0.0
TOTAL ALL SECTION 10 & NONSECTION 10 PROGRAMS										
FEDERAL PAYMENTS ($)	22032	20247	28417	30735	24966	23626	26135	18730	19886	18968
PERCENT BASE YEAR	100.0	91.9	129.0	139.5	113.3	107.2	118.6	85.0	90.2	86.1
PROGRAM ACREAGE	278801	280739	281636	281668	281981	282301	282323	282435	282435	283210
REVENUE $ PER ACRE	0.08	0.07	0.10	0.11	0.09	0.08	0.09	0.07	0.07	0.07

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.068 is shown as $0.06. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Cass

STATE: Minnesota

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Construction Material	$ 4,200
	Land (rights-of-way, etc.)	593
	Total	$ 4,793

Source: Federal Agencies' Field Offices, EBSMC Estimates.

C22-45

County Cass

State Minnesota

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 156,350	$ 88,750	$ 245,100
1958	202,089	103,032	305,121
1959	148,452	101,628	250,080
1960	181,005	95,914	276,919
1961	203,063	94,824	297,887
1962	265,094	124,033	389,127
1963	396,462	248,415	644,877
1964	358,012	324,685	682,697
1965	363,637	345,691	709,328
1966	1,445,372	1,031,844	2,477,216
Average Year	371,954	255,881	627,835
Item % of Total, Average Year	59.2	40.8	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Chippewa National Forest

County Cass

State Minnesota

TABLE NO. C-3a

Page 1 of 1

FEDERAL RESOURCE PROGRAM EXPENDITURES

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditures
1957	$ 32,000	$ 0	$ 125	$ 97,100	$ 14,150	$ 8,150	$ 19,200	$ 975	$ 73,400	$ 245,100
1958	35,315	0	84	98,152	13,106	0	19,904	1,022	132,547	305,121
1959	31,903	0	269	63,778	12,708	9,023	23,393	980	102,420	250,080
1960	26,888	0	442	78,764	12,008	2,391	21,284	1,030	129,758	276,919
1961	43,874	0	200	57,900	27,439	971	65,744	3,756	108,849	297,887
1962	45,379	0	13,093	62,172	38,080	12,196	47,828	5,996	140,440	389,127
1963	36,446	0	10,381	193,913	68,865	1,000	108,601	11,228	204,821	644,077
1964	45,586	0	43,392	199,441	59,367	2,991	162,636	11,613	148,592	682,697
1965	40,889	0	8,436	237,211	80,870	11,839	111,301	13,436	197,986	709,328
1966	39,412	0	3,861	222,629	90,706	13,710	56,981	10,977	2,036,370	2,477,216

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Cass

STATE Minnesota

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 x 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 x 5) (6)	Estimated Tax Per Acre (Col. 2 x 5) (7)
Forest Service						
Forest Land	$ 1.20	281,819	$ 338,183	272	$ 91,986	33¢
Lakeshore	90.98	1,391	126,553	272	34,422	2475
Totals	$ 1.64	283,210	$ 464,736	272	$ 126,408	45¢

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies; based on Minnesota tree growth tax, not ad valorem tax.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, ERSMC Estimates.

Federal Agency US Forest Service

Revenue Sharing Program Chippewa National Forest (25%)a/

County Cass

State Minnesota

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 x a/)
1957	$ NA	$ NA	$ NA	$ NA	$ NA
1958	NA	NA	NA	NA	NA
1959	NA	NA	NA	NA	NA
1960	NA	NA	NA	NA	NA
1961	138,527	40,715	97,812	24,453	10,179
1962	130,296	38,560	91,736	22,934	9,640
1963	133,495	31,619	101,876	25,469	7,905
1964	108,669	36,357	72,312	18,078	9,089
1965	132,626	55,726	76,900	19,225	13,931
1966	114,480	38,608	75,872	18,968	9,652

Source: Federal Agencies' Field Offices.

County   Case

State   Minnesota

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

		P.L. 815		P.L. 874	
Years	Total School Budget	Aid Provided	% of Total Budget	Aid Provided	% of Total Budget
1957	$ 1,521,750	$ 529,000	34.8	$ 9,968	.6
1958	1,335,963	529,000	39.6	9,842	.7
1959	1,161,232	529,000	45.6	39,365	3.4
1960	1,475,395	529,000	35.9	45,638	3.1
1961	2,117,336	529,000	25.0	48,379	2.3
1962	1,659,367	529,000	31.9	43,131	2.6
1963	1,825,826	529,000	29.0	46,038	2.5
1964	1,779,480	529,000	29.7	42,898	2.4
1965	2,172,132	529,000	24.4	47,316	2.2
1966	2,170,210	529,000	24.3	48,537	2.2

Sources: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

CASE COUNTY DIGEST
ITASCA, MINNESOTA

I. The County

a. General Description: Itasca is one of the larger counties in the northeastern part of Minnesota. The county seat, Grand Rapids, is the only major urban center in the county. There are 17 municipalities, 41 organized townships, some 50 unorganized townships, and four school districts.

As is still typical in many of the northeastern Minnesota, Wisconsin and Michigan counties, the form of government comprising organized and unorganized townships, among which the entire land area is divided, has been waning in terms of governmental activities. Presently, the townships are restricted to the supervision of elections, provision of recreation and library services, local fire and police protection and cemetery operations. The municipalities or villages provide, in addition to the services of the townships, municipal courts, maintenance of village streets and in some cases public utilities. The county provides a full range of governmental services including the collection of property taxes in behalf of the other units of local government, each of which furnishes to the county a proposed budget from which the necessary tax levy is computed. These budget and tax computations are limited by state law and are not allowed to exceed certain levels of taxation. The county also collects the uniform state tax applicable to specific tax of property (generally all types of tangible property with an exemption for a certain value of homesteads).

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	38,276	1966	2	34,700	-9.1
Urban[1]	1960	1	7,529	1966	2	6,900	-9.2
Rural	1960	1	30,747	1966	2	27,800	-9.0
Employment	1959	3	5,684	1966	3	6,264	10.2
Effective Buying Income ($000)	1960	2	57,693	1966	2	67,151	16.4
Per Capita EBI ($)	1960	2	1,502	1966	2	1,935	28.8
Public School Enrollment (K-12)	1960	1	10,588	1965	4	11,800	11.4

1/ Includes areas of 2,500 people or more.

Sources: See Page C23-2

Like most, if not all, northeast Minnesota counties, Itasca has experienced a considerable decline in its economy. A substantial out-migration resulted between 1958 and 1966 when there was a net population loss of 4,400, primarily from among the graduating high school classes. More recently there has been a slight improvement in county employment; however, the 1966 figure of reported employment was about 18% of total county population and an unemployment rate far in excess of the national average still prevailed. The increase in total EBI during the 1960-1966 period was well below the average for the state and the nation, and the resulting per capita EBI was relatively low for a county in which the major employment source is iron ore mining and wood conversion. Despite the total decline in population, public school enrollment (K-12), rose substantially. This is due to the fact that the loss in county population has come principally from post public school age groups.

c. The Land: The county comprises over 1.7 million acres. Almost 300,000 acres are part of the Chippewa National Forest. This is the only Federally owned land in the county subject to an RS program. The county also contains large state and county owned acreages which include over 336,000 acres of tax forfeited lands. Also located in the county is a closed Indian reservation comprising approximately 7,700 acres.

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the years 1957-1966. It shows an increase in total receipts of about $6.4 million or 63% over the 10-year study period. About $2.9 million of the increase resulted from increased collection of property taxes. Contained in the column "Other Taxes and Revenues for 1966" are revenues from other county taxes of about $711,000, charges and miscellaneous $1,925,000, state grants $4,072,000, and Federal grants, including RS payments, $1,005,000.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

The outstanding bonded debt of the county declined sharply during the 10-year study period. From a high of $10.3 million in 1957, the outstanding debt in 1966, as shown in the summary at the end of the case study digest was $5.4 million. While the county itself did not have any bonded indebtedness, some school districts were restrained from incurring additional bonded indebtedness as this would require a further increase in the property tax rate for that district, the upper limits of which prescribed by the state, had been already reached.

Table No. C-1a reflects a fairly sharp increase in per capita taxation for various state taxes and local property taxes. Over the 10-year period a per capita increase of 68.8% occurred. As a percent of EBI, the increase amounted to 15.5%.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the period 1957-1966. Almost half of the expenditure increase, $3.1 million, was expended for education. Expenditure for highways in 1966 accounted for less than 10% of total expenditures. Other expenditures included welfare $2.3 million, health and hospital services $1.5 million, revenues transferred to towns and villages $1.5 million and administrative expenditures $0.7 million.

Expenditures per capita reached an all-time high in 1966 and the figure of $474 reflects a relatively high cost for public services.

c. Property Tax: Table No. C-3 contains detailed data for the assessed value of property subject to taxes for the period 1957-1966. Despite the decline in the county's economy, total assessed value rose until 1964 when the state prescribed reassessment and a corresponding rise in tax rates took place. Over the 10-year period total assessed value increased by 11% and contained a sharp decline in the assessed value of rural properties, compensated for by an increase in residential properties. This phenomena was due partly to a change in assessment categories in 1959 when a large amount of rural properties was switched to residential properties.

Included in the assessed values are those relating to commercial and residential leaseholds on national forest lands and public utility rights-of-way also on national forest lands. The summary at the end of the case study digest contains appropriate figures and shows tax yield to be a relatively small $11,679. The county is taxing all improvements of possessory interests on Federal lands.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: Table No. C-4 contains acreage and payment figures for the period 1957-1966. The payments derived from the RS program applicable to the Chippewa National

Forest are, as previously stated, the only direct benefits derived by the county from these public lands. Annual payments fluctuated quite widely over most of these years and, during the last three averaged just under $20,000 per year.

b. Indirect Benefits: The State of Minnesota is not eligible for the BPR Sliding Scale Highway Aid benefits. Accordingly Table No. C-5 has not been included.

c. Value of Free Goods and Services: The county obtained free of charge considerable quantities of construction materials and the use of certain tracts of land for rights-of-way and roads. Table No. C-6 contains an estimate of the annual value of these free services, about $7,500.

d. Federal Facilities and Services Having Joint Use: The Forest Service reported that the county has not participated in the use of any of its facilities.

e. Resource Expenditures - Management: The Forest Service made considerable resource program expenditures in each of the years 1958-1966 in the Chippewa National Forest, a share of which was allocable to that part of the forest located within Itasca County. Table No. C-7 contains the detailed figures for the nine-year period. They averaged $326,000 per year of which 40% were allocable to capital expenditures. Table No. C-7a1 contains the detailed figures by expenditure category.

The Forest Service's management functions in the county comprise all of the typical forest management activities and also include national defense activities, management of the wildlife habitat and the purchase and exchange of land.

IV. Burdens to Local Government

a. Direct Burdens: The county incurs considerable financial burden due to the necessity of maintaining county and state aid highways located within the national forest. In addition, expenditures were incurred for law enforcement on national forest lands. It is estimated that the county expended more than $286,000 for all road maintenance programs within the national forest in 1966. How much of this expense was allocable as a direct burden due to the presence of public land cannot be precisely defined since these roads serve general county and state purposes. However, it is estimated that about one-fourth of the maintenance expense is attributable to the activities upon the public lands such as timber harvest and recreational visitation. The expense for law enforcement attributable to the public lands is composed of the cost for one full-time deputy and a 50-man force required to handle the crowds for the opening of the forest for fishing and boating in the spring and the provision of patrol boats to enforce water safety on the lakes within the forest. Accordingly, the applicable direct financial burden was estimated as follows:

Highway Maintenance	$ 70,000
Law Enforcement	40,000
Total	$110,000

b. Indirect Burden: Over 4,900 acres of the forest land are considered to be desirable lake shore property from which considerable tax revenues would accrue to the county if it were in private ownership. In addition, on the balance of the forest the county loses the tree growth tax which would amount to a considerable additional county revenue. Table No. C-8 contains an estimate of the assessable value and the potential tax revenue which might obtain if these lands were in private ownership. It shows a total of $144,500 per year, an average of 48¢/acre.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: K-V Fund collections were made in each year of the 10-year study period and that share of the total collection in the Chippewa National Forest, which is allocable to Itasca County for each of the years, is shown in Table No. C-9. These collections generally ranged from 20% to 27% of gross revenues and, during the last three years, they resulted in revenue shares "lost" equal to 39%, 38%, and 37% respectively of the net payments to the county.

d. Public Laws 815 and 874: During eight of the 10 years of the study period the county obtained payments under PL 874. During six years it obtained payments under PL 815. The appropriate figures are contained in Table No. C-10.

V. Impact of Present System

a. County Finance: The county is disadvantaged by the present system in two respects. Direct payments and in-kind benefits are substantially smaller than potential tax revenues which might be collected if the lands were in private ownership. In addition, the direct financial burdens for road maintenance and law enforcement upon the public lands far exceed the derived gross benefits. The following 1966 figures provide a summary of the financial impact:

Revenue Sharing (C-4)	$20,068
Free Goods and Services (C-6)	7,485
Total Direct Benefits	$27,553

From these must be deducted the direct burdens attributable to the presence of public land:

Direct Burdens (IV.a.)	$110,000
Total Net Burden	$ 82,447

Disregarding the direct financial burden, the direct benefits equal only 9.2c/acre. This compares unfavorably with the potential tax revenue, shown in Table No. C-8, averaging over 48c/acre.

b. The Overview: While county officials recognize that if the lands were in private ownership they may still not derive all the potential tax revenue since there has been a long history of tax forfeiture in Itasca County, there has been an increasing demand for timber of the species prevalent in the national forest and it is therefore reasoned that the tree growth tax would, for the most part, be collected.

County officials also point out that the Forest Service's management practices are increasingly recreation-oriented and that far less than the maximum demand is being provided under the sustained yield policy. This, in turn, has reduced the already small RS payments which in 1960 were 60% higher than in 1966.

There exists a variety of other problems which relate to the public lands which, however, are confined to the presence of the Indian reservation.

ITASCA, MINNESOTA

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Commercial, Utility Rights-of-way, Residential	$37,132[1]	$11,679
	Total	$37,132	$11,679

[1] Estimate. Based on average county mill rate - Abstract of Real and Personal Property, State of Minnesota.

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Schools	NA	$3,035,000
Sewers	NA	868,000
Hospital	NA	0
Roads & Bridges	NA	227,000
Funding & Refunding	NA	927,000
Buildings	NA	121,000
Public Service	NA	101,000
Other	NA	56,000
Total	NA	$5,445,000

Source: Itasca County Audit Reports.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Itasca

STATE Minnesota

Year	Real Property1/ (1)	Personal Property1/ (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 4,690,408	$ 1,214,388	$ 5,904,796	$ 4,185,902	$ 10,090,698
1958	5,630,446	1,372,597	7,003,043	5,095,517	12,098,560
1959	6,008,080	1,443,632	7,451,712	4,755,063	12,206,775
1960	6,776,027	1,102,749	7,878,776	5,277,556	13,156,332
1961	7,208,849	1,135,881	8,344,730	6,523,231	14,867,961
1962	7,764,203	1,068,792	8,832,995	5,560,727	14,393,722
1963	7,656,796	1,073,872	8,730,668	5,660,387	14,391,055
1964	7,654,936	1,143,841	8,798,777	4,968,665	13,767,442
1965	7,411,905	1,146,877	8,558,782	7,812,923	16,371,705
1966	7,396,879	1,377,592	8,774,471	7,713,217	16,487,688
% incr./decr. '66 vs. 1st yr.	57.8	13.3	48.6	84.3	63.4

1/ Real and personal property taxes allocated based on State of Minnesota Abstract of Assessments.

Source: Itasca County Audit Reports and State of Minnesota Abstract of Assessments.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME
1957 - 1966

COUNTY Itasca

STATE Minnesota

YEAR	State Taxes (000's)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
	Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	% of EBI (5)	Per Capita(1) (6)	% of EBI (7)	Per Capita(1)(2) (8)	% of EBI (9)	Per Capita(1)(2) (10)
1957	1,083	632	1,144	2,859	5.38	73.64	11.80	133.37	17.18	207.01
1958	1,133	712	1,267	3,112	5.80	79.59	13.06	179.11	18.86	258.70
1959	960	731	1,101	2,792	4.96	72.80	13.16	194.86	18.12	267.66
1960	1,064	829	1,186	3,079	5.16	77.58	13.65	205.12	18.81	282.70
1961	1,109	808	1,289	3,206	6.13	82.15	15.96	213.97	22.09	296.12
1962	1,133	986	1,189	3,308	6.09	93.63	16.26	220.83	22.35	314.46
1963	1,182	1,130	1,251	3,563	6.40	92.36	15.60	226.10	22.00	318.46
1964	1,362	1,133	1,322	3,817	6.75	103.90	15.16	233.39	21.91	337.29
1965	1,526	1,317	1,310	4,153	6.90	111.94	14.40	230.69	21.30	342.63
1966	1,586	1,668	1,312	4,566	6.77	130.65	13.07	232.37	19.84	363.02

1/ Excludes Corporation Net Income Taxes.

Sources: Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col. (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Itasca

STATE Minnesota

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditure Per Capita (5)
1957	$4,655,071	$ 1,022,507	$ 4,371,594	$ 10,049,172	$ 261
1958	5,573,134	1,062,772	5,164,364	11,800,270	302
1959	5,497,547	1,129,898	5,457,446	12,084,891	316
1960	6,252,911	1,253,948	5,694,453	13,201,312	344
1961	7,162,199	1,312,705	6,227,738	14,702,642	377
1962	6,704,239	1,335,712	6,259,326	14,299,277	370
1963	6,647,778	1,314,626	6,348,216	14,310,620	371
1964	6,683,985	1,432,692	6,971,841	15,088,518	400
1965	8,209,841	1,342,557	6,805,201	16,357,599	441
1966	7,738,125	1,594,277	7,103,944	16,436,346	476
% incr./decr.'66 vs. first year	66.2	55.9	62.5	63.6	81.6
% incr./decr.'66 vs. first year per capita	85.8	70.4	79.8	81.6	

Source: Itasca County Audit Reports.
Col. (5):Col. (4) divided by population estimates, Sales Management.

County Itasca

State Minnesota

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial, Industrial 2/	(3) Public Utility 2/	(4) Rural	(5) Mineral, Timber Other Nat. Res. 2/	(6) Personal	(7) Other 2/	(8) Total Assessed Value
1957 Assessed Value 1/	$ 3,993,000	$	$	$16,791,0000		$ 5,331,000	$	$ 26,115,000
Aver. Tax Rate 226.1								
Item % of Total	15.3			64.3		20.4		100.0
1958 Assessed Value	4,068,000			17,685,000		5,644,000		27,399,000
Aver. Tax Rate 255.8 mills								
1959 Assessed Value	16,635,000			5,954,000		5,514,000		28,105,000
Aver. Tax Rate 265.4 mills								
1960 Assessed Value	15,063,000			8,363,000		5,158,000		28,584,000
Aver. Tax Rate 308.4 mills								
1961 Assessed Value	25,350,000			3,592,000		4,736,000		33,678,000
Aver. Tax Rate 264.3 mills								
1962 Assessed Value	22,906,000			4,366,000		4,309,000		31,581,000
Aver. Tax Rate 279.7 mills								
1963 Assessed Value	24,920,000			3,835,000		3,968,000		32,723,000
Aver. Tax Rate 287.0 mills								
1964 Assessed Value	22,313,000			4,919,000		3,830,000		31,062,000
Aver. Tax Rate 283.7 mills								
1965 Assessed Value	20,529,000			5,161,000		3,824,000		29,514,000
Aver. Tax Rate 290.3 mills								
1966 Assessed Value 1/	20,151,000			4,939,000		3,890,000		28,980,000
Aver. Tax Rate 303.1 mills								
Item % of Total	69.6			17.0		13.4		100.0
Increase/Decrease '66 vs. '57	404.7			(70.6)		(27.0)		11.0

1/ Assessed value represents approximately 10 percent of actual market value in 1966. The assessed values represented above are 20%, 25%, 33 1/3%, and 40% of the true and full values. The true and full values represent 30% of actual market value.

2/ Included in other items.

3/ Average mill rate for County, Townships, Villages & Schools.

Source: Itasca County Audit Reports and State of Minnesota Abstract of Assessments.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. [illegible]
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION [illegible] LANDS

---- DESCRIPTION ----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = MINNESOTA COUNTY = ITASCA										
NATIONAL FORESTS										
FEDERAL PAYMENTS (A)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PERCENT 1957 [illegible]	100.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PROGRAM ACREAGE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
REVENUE $ PER ACRE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS (A)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PERCENT 1957 [illegible]	100.0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PROGRAM ACREAGE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
REVENUE $ PER ACRE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Revenues per acre in dollars have been truncated to the nearest cent; e.g., $1.068 is shown as $1.06. Revenues per acre for all programs combined are affected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4A
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS,NON SECTION 10 LANDS
(AND TOTALS FOR ALL SECTION 10 AND NONSECTION 10 PROGRAMS)

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = MINNESOTA COUNTY = ITASKA										
FLOOD CONTROL PROGRAM										
FEDERAL PAYMENTS ($)	0	0	161	0	0	0	0	0	0	0
PERCENT BASE YEAR	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL ALL SECTION 10 & NONSECTION 10 PROGRAMS										
FEDERAL PAYMENTS ($)	23452	21430	28051	32066	25883	24276	26972	19145	20367	20068
PERCENT BASE YEAR	100.0	91.4	119.6	136.6	110.4	103.5	115.0	81.6	86.8	85.6
PROGRAM ACREAGE	296773	297143	298287	298607	298677	298821	298985	299105	299223	299625
REVENUE $ PER ACRE	0.08	0.07	0.09	0.11	0.09	0.08	0.09	0.06	0.07	0.07

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.068 is shown as $0.06. Revenues per acre for all programs combined are affected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

C23-7

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Itasca

STATE: Minnesota

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Rights-of-way, Roads	$ 885
	Construction Material	6,600
	Total	$ 7,485

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County Itasca

State Minnesota

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ NA	$ NA	$ NA
1958	125,527	85,089	210,616
1959	96,622	65,495	162,117
1960	98,605	66,839	165,444
1961	129,530	87,802	217,332
1962	170,902	115,847	286,749
1963	253,760	172,012	425,772
1964	262,869	178,187	441,056
1965	285,397	193,457	478,854
1966	327,273	221,842	549,115
Average Year	196,500	131,840	328,340
Item % of Total, Average Year	59.6	40.4	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Chippewa National Forest

County Itasca

State Minnesota

TABLE NO. C-7a

Page 1 of 1

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ NA	$ 0	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ 0	$ NA
1958	37,372	0	89	108,545	45,852	2,252	15,427	1,079	0	210,616
1959	34,823	0	284	70,531	33,307	4,007	18,129	1,036	0	162,117
1960	29,419	0	688	87,104	35,771	2,198	9,369	1,095	0	165,444
1961	50,192	0	316	64,031	59,321	1,078	38,425	3,969	0	217,332
1962	31,633	0	13,837	68,756	88,149	13,963	64,096	6,333	0	286,749
1963	40,096	0	11,605	214,445	72,778	1,057	73,925	11,866	0	425,772
1964	49,876	0	6,470	204,525	107,786	3,161	56,963	12,275	0	441,056
1965	44,737	0	8,913	228,261	124,353	12,512	45,878	14,200	0	478,854
1966	47,180	0	9,468	284,115	130,711	13,150	47,447	15,044	0	549,115

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Itasca

STATE Minnesota

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Forest Land	$ 1.20	294,692	$ 353,630	272	96,187	33¢
Lake Shore	36.00	4,933	177,588	272	48,304	979
Totals	$ 1.77	299,625	$ 531,218	272	$ 144,491	48¢

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies; based on Minnesota tree growth tax, not ad valorem tax.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

Federal Agency US Forest Service

Revenue Sharing Program Chippewa National Forest (25%)[a/]

County Itasca

State Minnesota

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 × a/)
1957	$ 117,672	$ 23,860	$ 93,812	$ 23,453	$ 5,965
1958	106,773	21,053	85,720	21,430	5,263
1959	137,922	26,122	111,800	27,950	6,530
1960	125,280	21,748	103,532	25,883	5,437
1961	151,909	23,721	128,188	32,047	5,930
1962	118,123	21,091	97,104	24,276	5,255
1963	142,773	34,885	107,888	26,972	8,721
1964	106,282	29,702	76,580	19,145	7,426
1965	112,283	30,811	81,472	20,368	7,703
1966	110,175	29,903	80,272	20,068	7,476

Source Federal Agencies' Field Offices.

County Itasca

State Minnesota

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

		P.L. 815		P.L. 874	
Years	Total School Budget	Aid Provided	% of Total Budget	Aid Provided	% of Total Budget
1957	$ 4,655,071	$ 140,000	3.0	$ 0	0
1958	5,573,134	140,000	2.5	0	0
1959	5,497,547	202,320	3.7	24,578	.4
1960	6,252,911	202,320	3.2	24,972	.4
1961	7,162,199	202,320	2.8	20,739	.3
1962	6,704,239	202,320	3.0	18,837	.3
1963	6,647,778	0	0	21,759	.3
1964	6,683,985	0	0	27,858	.4
1965	8,209,841	0	0	30,686	.4
1966	7,738,125	0	0	33,801	.4

Sources: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

C2-3-11

CASE COUNTY DIGEST
LAKE, MINNESOTA

I. The County

a. General Description: Lake is one of the larger counties in Minnesota, located in the northeastern part of the state, bordering on Canada and Lake Superior. The county seat is Two Harbors. There are three municipalities, four townships and one school district in the county. The townships, which cover most of the land area not comprised by incorporated municipalities, provide varying levels of government services and all depend upon county government for tax collection, legal services, veterans' and agricultural affairs, planning, and resource development. The three municipalities are self-sufficient in respect to governmental services except for tax collection, legal services, planning and resource development. County government conducts all governmental functions except for cemetery and utility services, which are provided by the municipality and some of the townships. There are, in addition to those exclusively county functions upon which the townships and the municipalities depend, certain services provided by the county which are also provided by the other levels of government. These services cover the areas of financial control assessment, highway construction and maintenance, public health, law enforcement, fire protection, and refuse collection. Hospital services in the county are provided for all levels of government by a private organization, and fire protection, which is provided by all levels of government, is augmented by services provided by the Forest Service.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	13,702	1966	2	12,900	-5.9
Urban[1]	1960	1	8,413	1966	2	8,000	-4.9
Rural	1960	1	5,289	1966	2	4,900	-7.4
Employment	1959	3	2,630	1966	3	3,089	17.5
Effective Buying Income ($000)	1960	2	27,251	1966	2	29,896	9.7
Per Capita EBI ($)	1960	2	1,879	1966	2	2,318	23.4
Public School Enrollment (K-12)	1960	4	3,464	1965	4	4,500	30.0

1/ Includes areas of 2,500 people or more.

Sources: See Page C24-2

During the 1960-1966 period, county population declined both in its rural and urban segments. Until about 1964, the county experienced a fairly long-term economic decline, primarily due to the discontinuance of the use of Two Harbors as an iron ore shipping point. Since that time, new industrial activities have commenced operations and, as a result thereof, employment in the county has increased and so have total EBI and per capita EBI. As a result of the substantial change in the economic base of the county, employment opportunities with high levels of pay have become available and they account for the considerable increase in the per capita EBI and the relatively high levels shown for the year 1966. Despite the decline in population, public school enrollment (K-12) rose sharply during the 1960-1965 period. It is believed that the population decline represents, for the most part, public school graduates migrating to other parts of the state or country.

c. The Land: Lake County has a total land area of over 1.3 million acres. Of this area, about 737,500 are the county's share of Superior National Forest. This acreage is divided as follows:

Boundary Water Canoe Area	317,741 acres
Superior National Forest	419,789 acres
Total	737,530 acres

In addition, the county has reported that there are about 2,400 acres of additional Federally-owned lands in the county; however, neither of the PILT and RS managing agencies have reported this acreage and with the exception of some very small military reservations (radar sites, etc.), no other Federal land holdings have been identified in the county.

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the years 1957-1966. During this period, total receipts rose sharply, by over $2.5 million, a rate of increase of over 169%. Property tax collections accounted for only $360,000 of the increase and the balance is from other taxes and revenues. Included in these are the receipts from various bond issues.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

During the period 1956 to 1966 the county obtained a total of over $8.3 million from the issuance of various bonds and as of 1966 had an outstanding indebtedness of almost $6 million. The summary at the end of the case study digest contains the property figures for 1966.

Table No. C-1a shows the increase in total state taxes and local property taxes levied in the county. The levy of state taxes increased at a slightly faster rate than local property taxes and combined they increased over the 10-year period at a rate of 77% per capita, while the increase, as a percent of EBI, was 27%.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the 10-year study period. It shows an increase in total expenditures approximately equal to that of receipts. The largest share of the increase, about $1.5 million, was for education. Highway expenditures increased by about $540,000, reflecting a sharp rate of increase equal to almost 260% over the 10-year period. Per capita expenditures rose at a rate of 215%.

c. Property Taxes: Table No. C-3 contains detailed data for the assessed value of property subject to taxes for the period 1957-1966 by the three categories reflected in county records. While total assessed value rose by 22% or about $720,000, only the assessed value of residential properties increased while the assessed value of rural and personal properties declined. The 1966 tax rate of 247.9 mills reflects a slight reduction from the previous year. This rate is applicable to an average assessment of approximately 10% of the actual market value.

Included in the assessed properties are those applying to residential, commercial and other leasehold improvements of third parties on Federal lands. The summary enclosed at the end of the case study digest contains appropriate data and shows a total assessed value of about $12,800, yielding annual taxes of just under $3,000.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: The Superior National Forest is the only Federal property providing direct payments to the county; outside the Boundary Waters Canoe Area (BWCA) its land is subject to normal national forest fund RS provisions. That part of the forest set aside as a wilderness area, the BWCA, is subject to annual in lieu of tax payments. Due to adjustments in the assessment applicable to the wilderness area, and an increase in the acreage, payments to the county under the PILT program have risen continuously. The payment to the county from this source in 1966 exceeded three times the payment from the regular RS program although the acreage applying to the latter is over one-third greater.

Table No. C-4 contains acreage and payment data for the 10-year period. It shows that the 1966 payment of just under $89,000 was an all-time high.

b. Indirect Benefits: The State of Minnesota is not eligible for allocations for payments under the BPR sliding scale program.

c. Value of Free Goods and Services: The county obtained a considerable benefit from the provision of various free goods and services. Table No. C-6 contains an estimate of the annual value of these in-kind benefits, the largest of which is the provision of fire protection upon some 250,000 acres of state, county and privately-owned lands. The estimate for the total annual value of these benefits is $20,500.

d. Federal Facilities and Services Having Joint Use: The county benefits from the free use of certain roads and bridges constructed and maintained by the Forest Service. Based on the construction cost, annual maintenance cost, and the percentage of utilization of these facilities by the county, it was estimated that they provide an annual benefit of $25,413.

e. Resource Expenditures - Management: Resource program expenditures were made by the Forest Service in each of the years during the 10-year study period. However, only the figures relating to the expenditures subsequent to 1961 are available. Table No. C-7 contains a summary of these expenditures which varied considerably in each year and averaged over $971,000 annually. Almost 86% of these expenditures were attributable to capital expenditures. Table No. C-7al contains the expenditure data by expenditure category.

In addition to the full scope of routine forest management functions, the Forest Service has also administered a Job Corps Program and is specifically engaged in the development of the BWCA as a wilderness area, providing nature trails, a visitor information center, snowmobile routes and related activities.

IV. Burdens to Local Government

a. Direct Burdens: County officials have identified the existence of considerable financial burdens attributable to the presence of the public lands. These relate primarily to an extensive road maintenance program upon county and state aid highways within Superior

National Forest. Based on the estimates provided by various county officials and a review of their records, it is estimated that the following annual financial burdens are incurred:

Highway Maintenance	$100,000
Law Enforcement	15,000
County Health & Welfare Services	35,000
Total Direct Burden	$150,000

b. Indirect Burden: With the exception of a very small area, the Federal lands in Lake County have a considerable service value and, if they were in private ownership, could be expected to yield considerable tax revenues. Table No. C-8 contains an estimate of the assessable value and potential tax revenue which might be obtained if these lands were in private ownership. It shows a total potential tax of $237,567, averaging 32¢/acre.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: The Forest Service made K-V Fund collections in each of the years since 1959 (prior data not available). Table No. C-9 contains property figures reflecting the K-V Fund collection and the revenue share "lost" for each of the years from 1960-1966.

The K-V Fund collections varied each year. They reflect a range of from 27% to 37% of gross receipts and resulted in corresponding "losses" in the revenue shared.

d. Public Laws 815 and 874: During the period 1962-1966, the county obtained payments under PL 874. Table No. C-10 contains pertinent figures.

V. Impact of Present System

a. County Finance: Due to the heavy financial burden incurred by county government as a result of Superior National Forest, the PILT and RS payments plus in-kind benefits do not compensate the county for the tax revenue lost. In fact, as the summary figures following indicate, a net burden is incurred.

Based on the 1966 figures, the following summary applies:

PILT & RS (C-4)	$ 88,998
Free Goods & Services (C-6)	20,505
Joint Use Facilities (III.d.)	25,413
Total Direct Benefits	$134,916

From these must be deducted the direct burden resulting from the presence of public land:

Direct Burden (IV.a.)	$150,000
Resulting Net Burden	$ 15,084

b. The Overview: Were it not for the identified financial burdens upon county finance incurred in the provision of county services on, or relating to, public lands, the 1966 direct payments and in-kind services would have provided the county an average of 18¢ per acre on applicable Federal lands. This amount is only a little over one-half the estimated potential tax revenue which might be obtained if the lands were in private ownership. To compensate for the existing situation, the Forest Service has been reassessing the BWCA lands and has estimated that a considerable increase in future in lieu tax payments will result. Until such an adjustment tax takes place and the county derives a larger payment, it is inevitable that county officials feel they are not adequately compensated for the direct financial burdens as well as the loss of revenue incurred as a result of the county's providing services on land immune to property taxation.

LAKE, MINNESOTA

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II.c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Resort, Residential Commercial, Mineral	$12,791[1]	$2,978
	Total	$12,791	$2,978

[1] Estimate. Based on average county mill rate - Abstract of Real and Personal Property, State of Minnesota.

Source: Federal Agencies' Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
School	$4,425,000	$2,835,000
Sewage, Water & Utilities	1,825,000	1,331,000
Other	2,079,000	1,789,000
Total	$8,329,000	$5,955,000

Source: Lake County Audit Reports.

C-4-7

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Lake

STATE Minnesota

Year	Real Property1/ (1)	Personal Property1/ (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 480,068	$ 85,383	$ 565,451	$ 950,627	$ 1,516,078
1958	501,783	91,341	593,124	1,365,441	1,958,565
1959	540,335	92,376	632,711	1,714,953	2,347,664
1960	599,554	74,860	674,414	1,614,923	2,289,337
1961	640,297	85,663	725,960	1,865,519	2,591,479
1962	659,875	109,658	769,533	2,615,796	3,385,329
1963	716,010	143,546	859,556	3,013,294	3,872,850
1964	758,392	115,331	873,723	2,858,605	3,732,328
1965	748,306	104,950	853,256	3,278,878	4,132,134
1966	827,386	102,261	929,647	3,156,618	4,086,265
% incr./decr. '66 vs. 1st yr.	72.3	19.8	64.4	232.1	169.5

1/ Real and personal property taxes allocated, based on State of Minnesota Abstract of Assessments.

Source: Lake County Audit Reports and State of Minnesota Abstract of Assessments.

024-8

C24-7

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY Lake

STATE Minnesota

YEAR	State Taxes ($000) Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	Total State Taxes % of EBI (5)	Per Capita($) (6)	Local Property Taxes % of EBI (7)	Per Capita($) (8)	Total of State & Local Property Taxes % of EBI (9)	Per Capita($) (10)
1957	350	285	424	1,059	4.46	74.06	2.39	39.54	6.85	113.60
1958	389	322	470	1,181	4.86	81.45	2.44	40.91	7.30	122.36
1959	289	288	351	928	4.17	76.07	2.84	51.86	7.01	127.93
1960	332	392	418	1,142	4.19	78.76	2.47	46.51	6.66	125.27
1961	376	372	489	1,237	5.09	84.15	2.99	49.38	8.08	133.53
1962	368	485	476	1,329	4.98	85.74	2.88	49.65	7.86	135.39
1963	376	576	512	1,464	5.26	92.66	3.09	54.40	8.35	147.06
1964	416	576	540	1,532	5.29	99.48	3.02	56.74	8.31	156.22
1965	447	646	526	1,619	5.55	108.66	2.93	57.27	8.48	165.93
1966	450	733	488	1,671	5.59	129.53	3.11	72.06	8.70	201.59

1/ Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Lake

STATE Minnesota

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$ 724,892	$ 208,404	$ 488,706	$ 1,422,002	$ 99
1958	1,137,450	240,821	510,167	1,888,438	130
1959	1,424,762	378,164	598,766	2,401,692	197
1960	1,335,449	340,363	640,627	2,316,439	160
1961	1,566,373	388,604	669,281	2,624,258	180
1962	2,133,201	434,980	730,535	3,298,716	213
1963	1,866,084	603,757	868,879	3,338,720	214
1964	2,010,236	490,829	1,006,978	3,508,043	228
1965	2,437,022	517,791	1,173,305	4,128,118	277
1966	2,257,776	749,981	1,019,276	4,027,033	312
% incr./decr.'66 vs. first year	211.5	259.9	108.6	183.2	215.2
% incr./decr.'66 vs. first year per capita	243.1	286.7	132.4	215.2	

Source: Lake County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

C 24-10

County Lake

State Minnesota

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial Industrial 2/	(3) Public Utility 2/	(4) Rural	(5) Mineral, Timber Other Nat. Res. 2/	(6) Personal	(7) Other 2/	(8) Total Assessed Value
1957 Assessed Value	$ 1,647,000			$ 1,024,000	$	551,000		$ 3,222,000
Aver. Tax Rate 170.5 mills								
Item % of Total	51.1			31.8		17.1		100.0
1958 Assessed Value Aver. Tax Rate 195.3 mills	1,682.000			1,049,000		486,000		3,217,000
1959 Assessed Value Aver. Tax Rate 207.5 mills	1,761,000			1,051,000		513,000		3,325,000
1960 Assessed Value Aver. Tax Rate 226.4 mills	1,806,000			1,052,000		488,000		3,346,000
1961 Assessed Value Aver. Tax Rate 225.1 mills	2,418,000			578,000		374,000		3,370,000
1962 Assessed Value Aver. Tax Rate 231.2 mills	2,548,000			591,000		421,000		3,560,000
1963 Assessed Value Aver. Tax Rate 231.9 mills	2,426,000			897,000		551,000		3,874,000
1964 Assessed Value Aver. Tax Rate 256.1 mills	2,454,000			902,000		505,000		3,861,000
1965 Assessed Value Aver. Tax Rate 258.8 mills	2,528,000			858,000		516,000		3,902,000
1966 Assessed Value 1/ Aver. Tax Rate 247.9 mills	2,594,000			861,000		485,000		3,940,000
Item % of Total	65.8			21.9		12.3		100.0
Increase/Decrease '66 vs. '57	57.5			(15.9)		(12.0)		22.3

1/ Assessed value represents approximately 10 percent of actual market value in 1966. The assessed values represented above are 20%, 25%, 33-1/3% and 40% of the true and full values. The true and full values represent 30% of actual market value.
2/ Included in other items.

Source: Abstract of Real and Personal Property Taxes - State of Minnesota.

C24-11

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = MINNESOTA COUNTY = LAKE										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	26912	33326	23401	28031	23712	22872	20724	16897	20631	21341
PERCENT BASE YEAR	100.0	123.8	87.0	104.2	88.1	85.0	77.0	62.8	76.7	79.3
PROGRAM ACREAGE	535024	535306	410980	411471	411724	411762	412010	411923	414559	419789
REVENUE $ PER ACRE	0.05	0.06	0.06	0.07	0.06	0.06	0.05	0.04	0.05	0.05
SUPERIOR NAT FOREST										
FEDERAL PAYMENTS ($)	17477	17760	55059	56182	56410	56929	60786	64063	66167	67656
PERCENT BASE YEAR	100.0	101.6	315.0	321.5	322.8	325.7	347.8	366.6	378.6	387.1
PROGRAM ACREAGE	184153	185206	307933	313257	313400	313620	314757	316963	315420	317741
REVENUE $ PER ACRE	0.09	0.10	0.18	0.18	0.18	0.18	0.19	0.20	0.21	0.21
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	44389	51086	78460	84213	80122	79801	81510	80960	86798	88997
PERCENT BASE YEAR	100.0	115.1	176.8	189.7	180.5	179.8	183.6	182.4	195.5	200.5
PROGRAM ACREAGE	719177	720512	718913	724728	725124	725382	726767	728886	729979	737530
REVENUE $ PER ACRE	0.06	0.07	0.11	0.12	0.11	0.11	0.11	0.11	0.12	0.12

C 24-12

This county does not have any Nonsection 10 land programs.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Lake

STATE: Minnesota

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Wood & Gravel	$ 2,150
	Timber Sale Roads	1,200
	Fire Protection	15,000
	Airport Beacon	5
	Cabins	120
	Dams & Weir	200
	Radio-T.V. Antenna	30
	School	210
	Roads, Right-of-way	1,590
	Total	$ 20,505

Source: Federal Agencies' Field Offices, EBSMC Estimates.

C24-13

County Lake

State Minnesota

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ NA	$ NA	$ NA
1958	NA	NA	NA
1959	NA	NA	NA
1960	NA	NA	NA
1961	NA	NA	NA
1962	112,590	539,911	652,501
1963	126,574	1,254,373	1,380,947
1964	140,717	968,261	1,108,978
1965	144,991	628,636	773,627
1966	164,287	776,109	940,396
Average Year	137,832	833,458	971,290
Item % of Total, Average Year	14.2	85.8	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Superior National Forest

County Lake

State Minnesota

TABLE NO. C-7a

Page 1 of 1

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA
1958	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1959	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1960	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1961	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1962	53,573	16,821	36,533	201,665	72,269	33,528	77,676	6,394	154,042	652,501
1963	57,662	245,748	47,499	405,456	163,947	11,990	158,076	40,237	250,332	1,380,947
1964	62,427	57,903	29,819	366,729	115,533	9,475	149,504	65,283	252,295	1,108,978
1965	44,561	10,938	30,778	300,448	128,438	6,645	55,463	5,601	190,755	773,627
1966	41,344	11,362	31,227	338,231	136,219	7,123	97,309	3,893	273,688	940,396

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Lake

STATE Minnesota

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Forestry	$ 1.20	662,267	$ 794,720	232.82	$ 185,027	28¢
Mining	3.00	4,945	14,835	232.82	3,454	70
Recreation	3.00	70,238	210,714	232.82	49,058	70
Agricultural	1.50	80	120	232.82	28	35
Totals	$ 1.38	737,530	$ 1,020,389	232.82	$ 237,567	32¢

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies, based on Minnesota tree growth tax, not ad valorem tax.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

C24-16

Federal Agency US Forest Service

Revenue Sharing Program Superior National Forest (25%)a/

County Lake

State Minnesota

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share L (Col. 2 x a/)
1957	$ NA	$ NA	$ NA	$ NA	$ NA
1958	NA	NA	133,304	33,326	NA
1959	NA	34,913	93,608	23,402	8,728
1960	161,080	52,956	108,124	28,031	13,239
1961	138,988	44,140	94,848	23,712	11,035
1962	125,928	34,420	91,488	22,872	8,605
1963	127,113	44,217	82,896	20,724	11,054
1964	107,974	40,382	67,592	16,898	10,096
1965	127,078	44,554	82,524	20,631	11,138
1966	122,409	37,049	85,360	21,342	9,262

Source Federal Agencies' Field Offices.

C24-17

County Lake

State Minnesota

TABLE NO C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

Years	Total School Budget	P.L. 815 Aid Provided	P.L. 815 % of Total Budget	P.L. 874 Aid Provided	P.L. 874 % of Total Budget
1957	$ 0	$ 0	0	$ 0	0
1958	0	0	0	0	0
1959	0	0	0	0	0
1960	0	0	0	0	0
1961	0	0	0	0	0
1962	2,133,201	0	0	23,977	1.1
1963	1,866,084	0	0	25,553	1.4
1964	2,010,236	0	0	34,781	1.7
1965	2,437,022	0	0	21,571	.9
1966	2,257,776	0	0	19,720	.9

Sources. Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

C24-18

CASE COUNTY DIGEST
MARSHALL, MINNESOTA

I. The County

a. General Description: Marshall is a medium-sized county located in the northwestern part of the state, approximately 40 miles south of Canada, and bordering on North Dakota. The county seat is Warren. There are 11 municipalities, 48 townships and 25 school districts in the county. Municipalities and townships provide inputs to county government for tax assessment. The municipalities also maintain streets, law enforcement, fire protection, sanitation facilities, cemetery operations, and public utility services in each of their jurisdictions. The townships, which are typically rural areas, rely on county government for all public services. While functions of the county and the municipalities overlap in the areas of road construction and maintenance and law enforcement, there is a wide range of governmental functions performed by the county exclusively. The more important functions include financial control, welfare, and public health. While public health services are a function of county government, the county does not provide hospital services. In fact, no hospital facilities exist in the county.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	14,262	1966	2	14,700	3.1
Urban[1]	1960	1	0	1966	2	0	0
Rural	1960	1	14,262	1966	2	14,700	3.1
Employment	1959	3	852	1966	3	933	9.5
Effective Buying Income ($000)	1960	2	17,186	1966	2	25,843	50.4
Per Capita EBI ($)	1960	2	1,219	1966	2	1,758	44.2
Public School Enrollment (K-12)	1960	1	3,631	1965	4	2,400	-33.9

1/ Includes areas of 2,500 people or more.

Sources: See Page C25-2

During the 1960-1966 period the county showed a modest population growth. County employment grew at a slightly greater rate and total effective buying income increased by over 50% per capita EBI, though it increased substantially, was below the average for the counties studied. Public school enrollment (K-12) declined substantially, by over one-third, during the 1960-1965 period.

c. The Land: Of the total land area comprising 1.1 million acres, 61,090 acres are in Federal ownership and comprise the Agassiz Migratory Bird Refuge. It is managed by the Bureau of Sport Fisheries and Wildlife (BSF&W) and is composed mostly of wetlands. This refuge is a link in the chain of the refuges comprising the Mississippi Flyway, existing from Canada to the Gulf of Mexico.

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the 10-year study period. It shows a growth in total receipts of 58% or approximately $1.8 million. Approximately half of the growth in county receipts stems from property taxes which, in 1966, accounted for about 49% of total county receipts. There has been a slight increase over the years in the share of property taxes of total county revenues; property taxes increased by 61% during the 10-year period while, for the same period, all other taxes and revenues increased by 54%.

The county's total outstanding bonded indebtedness increased from $2.9 million in 1957 to just under $5.7 million in 1966. In 1966 alone, the outstanding debt for road and bridge bonds increased $1.4 million while the debt for all other categories decreased. The summary at the end of the case study digest contains figures for the 1966 outstanding debt by bond category.

Table No. C-1a shows a rise of about 50% in state tax collections in Marshall County. Combined state tax and local property tax collections increased per capita by 67%; however, as a percent of EBI they increased by only 2% in 1966, although by more than that in the prior years compared to 1957.

Sources: 1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the period 1957-1966. It shows a rate of increase similar to that for receipts. Of the total increase of just under $2.0 million over the 10-year period, approximately $600,000 went for education, approximately $670,000 for highways, and the balance for other county services. Since the population in 1957 was larger than that reported for 1966, 15,600 versus 14,700, the increase in expenditures per capita exceeds the rate of increase per se.

c. Property Taxes: Table No. C-3 contains the assessed value of properties subject to taxation for the 10-year period and by the three categories maintained in county records. The total increase in assessed value is 16%. This is greater than the rate of increase for both rural and personal property and considerably less than that for residential properties with a rate of 38%.

The average county tax rate, which applies to approximately 10% of the fair market value of the taxable property, was raised to an all-time high in 1966 of 255.5 mills.

Though there are numerous possessory interests on the public lands, represented by grazing, trapping, haying and timber permits, the county has not elected to assess the value of these third party interests and levy property taxes thereon.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: Table No. C-4 contains acreage and payment data relating to the only RS program in the county, the Agassiz Refuge. Unitl 1965, RS payments only were made and these did not exceed $953, the 1958 payment. In 1966, the first in lieu tax payment was made which raised the revenue to the county about $10,700 compared with the previous year. However, even the 1966 payment was less than one-fourth of 1% of total county receipts.

b. Indirect Benefits: The State of Minnesota is not eligible for BPR sliding scale highway aid payments; accordingly Table No. C-5 has not been included.

c. Value of Free Goods and Services: The county benefits from the provision of free maintenance services upon roads adjacent to the refuge and also obtains, free of charge, certain construction materials. Table No. C-6 contains an estimate of the annual value of these free goods and services which is $592.

d. Federal Facilities and Services Having Joint Use: The county participates in the use of two Federally constructed and maintained water control structures without charge to the county. Based on their construction, annual operating cost and the percentage of use by the county, it was estimated that these structures represent an annual benefit to the county of $1,620.

e. Resource Expenditures - Management: The BSF&W has made resource program expenditures in each of the years but data for the period prior to 1963 are not available. Table No. C-7 contains the appropriate figures. It shows an average of over $94,000 per year of which 28% was applicable to capital expenditures.

Table No. C-7a1 contains the detailed figures by expenditure category.

The management functions of the BSF&W comprise the full range applicable to a wildlife refuge. Local program managers have indicated that the RS and PILT provisions applying to the refuge are an important factor in their management decisions. They indicated that the funds paid to the local government represented a direct reduction in the available program budget and thereby limit the agency's developmental activities. These officials have indicated that insufficient funds have for many years prevented that agency's conservation program from progressing at a rate necessary to meet the rapidly changing environmental conditions.

IV. Burdens to Local Government

a. Direct Burdens: County officials claim the incurrence of heavy financial burdens directly attributable to the presence of the public land. The county constructed an 11-mile road providing access to and through the wildlife refuge and is still burdened with the continuing maintenance of this road. Based on the non-reimbursed portion of the road construction cost and the annual maintenance cost, it was estimated that the county incurs an annual burden of about $22,800.

b. Indirect Burden: The immunity of the Federal land to taxation by the local government causes the loss of considerable tax revenue. Table No. C-8 contains an estimate of the assessable values and the potential tax revenue which might be obtained if the lands were in private ownership. It shows a total tax potential of about $45,200 averaging 74¢/acre.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: These provisions are not applicable to the RS program in this county.

d. Public Laws 815 and 874: The county has not qualified for payments under either of these laws.

V. Impact of Present System

a. County Finance: Despite the considerable increase in the total PILT and RS payments in 1966, the county is still at a considerable disadvantage as a result of the presence of the bird refuge. Not only is it likely that if the land were in private ownership it might generate the tax revenues estimated and shown in Table No. C-8, but also that the substantial burden for road maintenance might not be incurred. The following 1966 figures summarize the situation:

PILT and RS (C-4)	$11,386
Free Goods and Services (C-6)	592
Joint Use Facilities (III.d.)	1,620
Total Direct Benefits	$13,598

From these must be deducted the direct burdens resulting from the existence of public land:

Direct Burden (IV.a.)	$22,804
Resulting Net Burden	9,206 = 15¢/acre

The above burden figure compares even more unfavorably with the potential tax revenue if the land were in private ownership, estimated at $45,200 or 74¢ per acre.

b. The Overview: It is evident that the PILT provisions applying to the wildlife refuge, which became effective with payments for fiscal year 1966, do not nearly compensate for the loss of tax revenue which might be obtained if the land were in private ownership. In Marshall County the three-fourths of 1% PILT payment is, at most, equal to 25% of the tax which would be required from a private owner.

Another indirect financial burden resulting from the refuge is the destruction of large quantities of grain by the nesting and migratory birds and waterfowl. The areas adjacent to the refuge are cultivated in solidly planted grain lands and it is natural that the large quantity of birds inhabiting the refuge at various times during the year should seek these fields for augmentation of their feed. The Federal land managers are attempting to reduce this crop loss by augmenting the natural foods available on the refuge with cultivated grains produced on arable soil on the refuge.

MARSHALL, MINNESOTA

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
BSF&W	Grazing, Commercial Rights-of-way	0	0

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Schools	NA	$1,629,500
Water & Sewage	NA	340,000
Roads & Bridges	NA	2,455,094
Public Services & Other	NA	1,245,000
Total	NA	$5,669,594

Source: Marshall County Audit Reports.

C25-6

C25-7

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Marshall

STATE Minnesota

Year	Real Property 1/ (1)	Personal Property 1/ (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 1,119,225	$ 386,121	$ 1,505,346	$ 1,658,484	$ 3,163,830
1958	1,231,058	425,817	1,656,875	1,519,706	3,176,581
1959	1,351,400	433,097	1,784,497	1,552,713	3,337,210
1960	1,394,585	432,462	1,827,047	1,938,514	3,765,561
1961	1,404,451	498,857	1,903,308	2,323,171	4,226,479
1962	1,510,132	491,633	2,001,765	1,944,042	3,945,807
1963	1,580,304	498,050	2,078,354	2,111,440	4,189,794
1964	1,658,047	540,663	2,198,710	2,131,963	4,330,673
1965	1,755,652	559,901	2,315,553	2,509,235	4,824,788
1966	1,888,237	540,364	2,428,601	2,561,401	4,990,002
% incr./decr. '66 vs. 1st yr.	68.7	39.9	61.3	54.4	57.7

1/ Real and personal property taxes allocated, based on State of Minnesota Abstract of Assessments.

Source: Marshall County Audit Reports and State of Minnesota Abstract of Assessment.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY Marshall

STATE Minnesota

	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
YEAR	Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	359	202	467	1,028	6.12	65.90	8.97	96.50	15.09	162.40
1958	355	248	499	1,102	5.89	71.56	8.85	107.59	14.74	179.15
1959	347	262	448	1,057	5.22	67.76	8.82	114.39	14.04	182.15
1960	368	247	406	1,021	5.94	72.41	10.63	129.58	16.57	201.99
1961	388	265	480	1,133	6.53	80.93	10.97	135.95	17.50	216.88
1962	393	332	430	1,155	6.31	82.50	10.94	142.98	17.25	225.48
1963	401	390	457	1,248	6.63	88.51	11.04	147.40	17.67	235.91
1964	379	398	498	1,275	6.37	89.79	10.99	154.84	17.36	244.63
1965	381	463	505	1,349	6.45	94.34	11.07	161.93	17.52	256.27
1966	361	634	556	1,551	6.00	105.51	9.40	165.21	15.40	270.72

1/ Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Marshall

STATE Minnesota

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$1,551,552	$ 442,640	$ 1,128,091	$ 3,122,283	$ 200
1958	1,462,747	601,261	1,229,397	3,293,405	214
1959	1,378,770	560,089	1,323,028	3,261,887	209
1960	1,522,902	685,434	1,324,658	3,532,994	251
1961	1,882,128	786,768	1,415,392	4,084,288	292
1962	1,983,337	747,624	1,452,865	4,183,826	299
1963	1,905,320	835,755	1,521,551	4,262,626	302
1964	1,914,609	832,161	1,500,441	4,247,211	299
1965	2,136,896	765,715	1,531,967	4,434,578	310
1966	2,160,451	1,113,631	1,735,889	5,009,971	340
% incr./decr.'66 vs.'first year	39.2	151.6	53.9	60.5	70.0
% incr./decr.'66 vs. first year per capita	48.5	171.4	63.9	70.0	

Source: Marshall County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

County Marshall

State Minnesota

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial, Industrial 2/	(3) Public Utility 2/	(4) Rural	(5) Mineral, Timber Other Nat. Res. 2/	(6) Personal	(7) Other 2/	(8) Total Assessed Value
1957 Assessed Value Aver. Tax Rate 186.6mills	$ 854,000	$	$	$4,760,000	$	$ 1,946,000	$	$ 7,560,000
Item % of Total	11.3			63.0		25.7		100.0
1958 Assessed Value Aver. Tax Rate 201.8mills	865,000			4,780,000		1,947,000		7,592,000
1959 Assessed Value Aver. Tax Rate 212.4mills	932,000			4,877,000		2,011,000		7,820,000
1960 Assessed Value Aver. Tax Rate 219.1mills	951,000			4,932,000		1,885,000		7,768,000
1961 Assessed Value Aver. Tax Rate 225.8mills	944,000			5,059,000		1,862,000		7,865,000
1962 Assessed Value Aver. Tax Rate 226.4mills	965,000			5,080,000		2,147,000		8,192,000
1963 Assessed Value Aver. Tax Rate 223.9mills	1,067,000			5,409,000		2,108,000		8,584,000
1964 Assessed Value Aver. Tax Rate 236.8mills	1,102,000			5,420,000		2,059,000		8,581,000
1965 Assessed Value Aver. Tax Rate 245.1mills	1,171,000			5,416,000		2,148,000		8,735,000
1966 Assessed Value 1/ Aver. Tax Rate 255.5mills	1,176,000			5,488,000		2,126,000		8,790,000
Item % of Total	13.4			62.4		24.2		100.0
Increase/Decrease '66 vs. '57	37.7			15.3		9.2		16.3

1/ Assessed value represents approximately 10 percent of actual market value in 1966. The assessed values represented above are 20%, 25%, 33 1/3%, and 40% of the true and full values. The true and full values represent 30% of actual market value.

2/ Included in other items.

Source: Abstract of Real and Personal Property - State of Minnesota.

625-10

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = MINNESOTA COUNTY = MARSHALL										
MIGRATORY BIRD ACT										
FEDERAL PAYMENTS ($)	892	953	891	804	560	383	429	830	615	11386
PERCENT BASE YEAR	100.0	106.8	99.9	90.1	62.8	42.9	48.1	93.0	68.9	1276.5
PROGRAM ACREAGE	60376	60376	60376	60376	60612	60612	60612	60612	61019	61090
REVENUE $ PER ACRE	0.01	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.19
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	892	953	891	804	560	383	429	830	615	11386
PERCENT BASE YEAR	100.0	106.8	99.9	90.1	62.8	42.9	48.1	93.0	68.9	1276.5
PROGRAM ACREAGE	60376	60376	60376	60376	60612	60612	60612	60612	61019	61090
REVENUE $ PER ACRE	0.01	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.19

This county does not have any Nonsection 10 lands programs.

Revenues per acre in dollars have been truncated to the nearest cent; *i.e.*, $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

C25-11

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Marshall

STATE: Minnesota

Supplying Agency	Type of Goods & Services	Annual Value
		$
BSF&W	Construction Material	250
	Road Maintenance	342
	Total	$ 592

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County Marshall

State Minnesota

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ NA	$ NA	$ NA
1958	NA	NA	NA
1959	NA	NA	NA
1960	NA	NA	NA
1961	NA	NA	NA
1962	NA	NA	NA
1963	69,600	39,000	108,600
1964	62,700	50,000	112,700
1965	71,800	0	71,800
1966	69,100	14,745	83,845
Average Year	68,300	25,936	94,236
Item % of Total, Average Year	72.4	27.6	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

C25-13

Federal Agency Bureau of Sport Fisheries & Wildlife

Program Agassiz Refuge

County Marshall

State Minnesota

TABLE NO. C-7a

Page 1 of 1

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA
1958	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1959	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1960	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1961	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1962	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1963	100	1,500	5,400	7,400	100	0	2,700	90,400	2,000	108,600
1964	200	2,000	54,400	5,600	500	0	300	47,300	2,400	112,700
1965	0	900	1,900	5,700	0	0	2,800	58,600	1,900	71,800
1966	100	2,200	27,945	5,700	100	0	900	45,000	1,900	83,845

Source: Federal Agencies' Field Offices.

C25-11

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Marshall

STATE Minnesota

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
BSF&W						
Crop Land	$ 6.45	664	$ 4,283	237.86	$ 1,019	153¢
Crop Land	10.74	285	3,061	237.86	728	255
Meadow & Pasture	3.82	4,663	17,813	237.86	4,237	91
Meadow & Pasture	6.77	1,956	13,242	237.86	3,150	161
Timber	2.50	1,260	3,150	237.86	749	59
Timber	4.15	540	2,241	237.86	533	99
Other Wasteland	2.36	36,185	85,397	237.86	20,312	56
Other Wasteland	3.92	15,537	60,905	237.86	14,487	93
Totals	$ 3.11	61,090	$ 190,092	237.86	$ 45,215	74¢

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies, based on Minnesota tree growth tax, not ad valorem tax.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

C25-15

CASE COUNTY DIGEST
ST. LOUIS, MINNESOTA

I. The County

a. General Description: St. Louis is the largest and most densely populated county in northeastern Minnesota. It borders on Canada and the western shore of Lake Superior. The county seat, the City of Duluth, is a major metropolitan center serving the county and the entire northeastern part of the state. For many years, it was a major retailing, transportation and distribution center; however, with a general decline in the economy of that part of the nation, Duluth and the county have experienced serious setbacks in practically all socioeconomic areas.

There are 27 municipalities, 71 townships, 23 school districts and seven special districts in the county. The provision of governmental services by the various municipalities is not on a uniform basis. It depends in large measure on the size of the city and its resulting ability to provide the variety of public services. Typically, the larger towns, such as Duluth, are self-sufficient in their provision of local governmental services. The consistent exclusion is in the field of tax collection and general court which are the sole responsibility of county government. As in all other northeastern Minnesota counties, both townships and municipalities provide the county with an input for tax collection which input identifies the needed revenues to be levied from property taxation. Typically, these revenues are to cover the cost of such municipal services as local administration, street maintenance, law enforcement and public safety, fire protection, local planning activities and the like.

The special districts are engaged in recreational activities, fire protection and special educational activities. These districts have their own administrative and financial control functions but in all other respects rely upon county government.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	231,588	1966	2	235,200	1.6
Urban[1/]	1960	1	172,070	1966	2	175,500	2.0
Rural	1960	1	59,518	1966	2	59,700	0.3
Employment	1959	3	47,707	1966	3	53,023	11.1
Effective Buying Income ($000)	1960	2	434,759	1966	2	552,595	27.1
Per Capita EBI ($)	1960	2	1,860	1966	2	2,349	26.3
Public School Enrollment (K-12)	1960	1	51,525	1965	4	60,400	17.2

Published figures indicate little change in the county's total population in the 1960-1965 period. The data indicate year-to-year fluctuations with a small increase in the population from 1957-1965 and a reduction in the year 1966. These figures, including those relating to county employment, total effective buying income and per capita EBI, may not properly reflect the conditions which have prevailed in the rural parts of the county for a number of years. As a result of the decline in iron ore mining activities during the late '50s and early '60s, considerable unemployment was experienced in most of the rural areas while a lesser unemployment condition prevailed in the cities. With the passage of the Minnesota Taconite Act in 1964, the county's economy has made a positive adjustment and since about 1965 employment and income have risen sharply. However, the cumulative effects of many years of economic decline are still felt in many areas which affect county finance.

c. The Land: The county's total land area comprises almost 3.9 million acres. About 60% of the total land area is in public ownership and distributed as follows:

State of Minnesota	430,000 acres
St. Louis County	954,000 acres
Indian Reservation	19,000 acres
Superior National Forest	764,300 acres
Total	2,167,300 acres

1/ Includes areas of 2,500 people or more.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

The Superior National Forest acreage includes the 194,533 acres of Boundary Waters Canoe Area (BWCA) contained within the county boundaries.

The private lands in the county, except for those in the urban centers are mining properties, farmlands and forests and account for about 1.2 million acres of the county's land area.

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the years 1957-1966. During this period, total receipts increased by about $30 million, or 60%. An important change in the source of revenues occurred during this period. The 1957 figures indicate the county's heavy reliance on property taxes which then accounted for about 70% of total receipts. In 1966, the share of property taxes declined to 58% of total receipts, although property tax revenues for that year were 38% higher than for 1957 and reflected an increase of almost $13 million. The greatly increased collections of Other Taxes and Revenues reflect substantially larger state and Federal payments to the county as well as collections for heavy county (and city) sales taxes enacted about 1960.

The county's outstanding bonded indebtedness rose to over $56 million by 1959. However by 1966 it had declined to $44.5 million and was only about $4 million more than at the beginning of the 10-year study period. The summary enclosed at the end of the case study digest contains figures reflecting the outstanding bonded indebtedness by bond type as of 1966.

Table No. C-la reflects the increase in state taxes and local property taxes per capita and as a percent of EBI. The rate of increase for state tax collections was over twice that for local property taxes. On a per capita basis, the former increased by 68%, while the latter increased by 32% Combined state taxes and local property tax collections per capita are estimated to have increased by just under 45%, although as a percent of EBI the inncrease was only 3%.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the period 1957-1966. It shows a rate of increase in expenditures of 60% Of the total increase over the 10-year period of about $28 million, almost $18 million were for education. Expenditures for highway construction maintenance increased by over $2.1 million and show the largest rate of increase. The increase in other expenditures of about $8.7 million reflects the larger collections and disbursements to other units of government including the City of Duluth. On a per capita basis, the rate of increase over the 10 years of 50% resulted in expenditures which do not appear to be unusually high.

c. Property Taxes: Table No C-3 contains detailed data for the assessed value of property subject to taxes for the period 1957-1966 by the three categories for which records are kept. The figures reflect the decline in the county's property tax base. An overall decline in assessed value of 40% is shown and were it not for reassessments which resulted in higher assessed values for various types of property, the decline would be greater. In face of the decline in the assessed value of taxable properties, the county's average mill rate rose sharply. In fact, it more than doubled during the 10-year period. While the decline in the value of rural properties to some extent reflects transfers from this category to the residential category, the decline in the latter reflects the old age and, to some extent, run-down conditions of many residential and commercial properties which have occurred during the 10-year period.

Included in the assessed values is a relatively small assessment for commercial, recreation and other possessory interests on national forest lands. It includes the assessed value of utility rights-of-way. The summary enclosed at the end of the case study digest contains pertinent figures and shows an assessed value of under $30,000 and an estimated annual tax of about $10,000.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: Table No. C-4 contains acreage and payment data for the 10-year period relating to the two applicable programs in the county: RS from the National Forest Fund and PILT on the BWCA land with its restricted cut area. While the RS from timber sales have declined since 1960, the in-lieu tax payments have increased as a result of the addition of some acreage to the reserved BWCA area. Total payments reached a high in 1960 of $70,800 and in 1966 amounted to less than $65,000. As a share of total county receipts, these direct payments were insignificant, although the forest area within the county comprises almost 20% of the county's total land area.

b. Indirect Benefits: The State of Minnesota is not eligible for participation in the BPR Sliding Scale Highway Aid Program.

c. Value of Free Goods and Services: The county has obtained the free use of certain roads and rights-of-way, the free supply of construction materials and fire protection services, all provided by the Forest Service (FS). Table No. C-6 contains an estimate of the annual value for these free goods and services and shows a total of $68,270.

d. Federal Facilities and Services Having Joint Use: The FS also reported the use by the county of certain FS constructed and maintained highways. Based on the construction costs, the useful life, annual operating costs and the percentage of use of these roads by the county, it was estimated that their annual benefit amounts to about $7,660.

e. Resource Expenditures - Management: The FS made considerable resource program expenditures in each year of the 10-year study period. While specific data for the period preceding 1962 are not available, figures for the years 1962-1966 are contained in Table No. C-7. These figures include substantial expenditures made within the framework of the Accelerated Public Works Program which account for the large increases in total expenditures in 1963 and 1964. Average annual expenditures reached almost $1.3 million, 85% of which were applied to capital items.

Table No. C-7a contains the five-year figures by expenditure category.

The management functions performed by the Superior National Forest administration cover all the routine FS functions and also include the administration of a Job Corps Program, the development of nature trails, and the conduct of visitor information stations.

IV. Burdens to Local Government

a. Direct Burdens: County officials identified a very large financial burden incurred for the construction and maintenance of county and state aid highways within the forest area. The County Highway Engineer estimated that total highway expenditures within the national forest are averaging $720,000 per year. It is difficult to ascertain what share of these expenditures can be identified as a direct burden attributable to the presence of public lands and what share of these expenditures would be incurred if these general use highways were not located on public lands. It seems reasonable to assume that the pattern of land ownership which in many places is noncontiguous has resulted in some circuitous routings and thereby increased costs. Additionally, a good many of these roads are utilized by the FS for its own management activities. Whereas the expenditure figure mentioned previously might, indeed, be attributable to the expenditures for highways located on public lands, it seems that only about 25% of that figure might reasonably be identified as a direct burden attributable to the presence of the public lands.

In addition, the county also incurs a direct financial burden for the cost of law enforcement and protection, primarily in the logging and recreation use areas within the national forest. These expenditures were estimated at $40,000 per year.

In summary, the estimate of the county's direct financial burden is:

Highway Construction and Maintenance	$180,000
Law Enforcement	40,000
Total	$220,000

b. Indirect Burden: The loss of property tax revenue from the Federal lands was estimated to substantially exceed the RS and PILT income. Table No. C-8 contains an estimate of the assessable value of the national forest lands and an estimate of the potential tax revenue. It shows a total potential annual tax of $248,500, averaging 32¢/acre.

The estimate on timberland is based on an equivalent of the Minnesota Tree Growth Tax.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: The FS has made K-V Fund collections in each of the years during the 10-year period. While figures for the period preceding 1960 are not available, those for 1960 and succeeding years are contained in Table No. C-9. It shows K-V Fund collections which ranged from 24% of gross revenue to 34% in 1964, 33% in 1965 and 29% in 1966. The resulting "loss" in revenue shared amounted to 52% of the net payment in 1964, 49% in 1965 and 41% in 1966.

d. Public Laws 815 and 874: The county received payments under PL 874 in each year and under PL 815 in six years of the 10-year study period. The data are contained in Table No. C-10.

V. Impact of Present System

a. County Finance: The present RS and PILT system applicable to St. Louis County is of considerable disadvantage to the county in two respects. Direct payments and in-kind benefits are substantially less than the potential tax revenue from the forest lands if they were in private ownership. Additionally, heavy financial burdens are caused by the cost of road maintenance and law enforcement relating to these Federal lands. Based on the 1966 figures, the following situation exists:

PILT & RS (C-4)	$ 64,798
Free Goods & Services (C-6)	68,270
Joint Use Facilities (III.d.)	7,660
Total	$140,728

From these must be deducted the direct burdens attributable to the presence of public lands.

Direct Burdens (IV.a.)	$220,000
Resulting Net Direct Burdens	$ 79,272

Disregarding the direct financial burdens, the 1966 PILT, RS and in-kind benefits are equal to 18¢/acre. This compares unfavorably with the estimated potential tax revenue if the lands were in private ownership, amounting to 32¢/acre.

b. The Overview: A variety of serious problems relating to the public lands exist in St. Louis County. Most notable is the heavy financial burden for highway construction and maintenance. If the State of Minnesota were eligible for the BPR Sliding Scale Highway Aid Program, this burden might be substantially reduced, although it would not be completely eliminated. If the state had received the allocation under the ABC and interstate programs to which it was not eligible due to the exclusion of national forest acreage, it would have obtained a reduction in its share of highway construction costs of over $2 million. If it were assumed that 20% of this amount allocated to St. Louis County, its highway expenditures could have been reduced by about $400,000. This amount equals the amount spent by the county for highway construction (not maintenance) within the national forest area.

An associated and yet separate problem is the "shotgun pattern" of the Federal land ownership. It has created access problems to recently discovered copper and nickel deposits and state-owned lands.

Restricting the BWCA to a wilderness area with timber harvesting on only a very small share of that area has also resulted in an adverse economic impact. Timber purchasers claim that the timber resource within the BWCA is desirable and if it were available would stimulate the establishment of new timber converting enterprises within the county.1/

1/ In a separate study, this consultant has studied the feasibility of the establishment of a pulp mill in the vicinity of Ely, located in the northern part of the county and concluded that, due to the harvest restrictions in the BWCA, the required supply of raw material from economically reachable sources was not available.

County officials recognize that the BWCA lands, on which PILT equal to 3/4ths of 1% of assessed value is made, are being reassessed by the FS. They indicated, however, that the 10-year gap between assessment periods causes a large deficiency during most of the years in the 10-year interval.

Lastly, it was pointed out by county officials that the increasing orientation of the FS to recreation land uses is also having an economic impact. Not only has the timber harvest activity declined but the peculiar conditions attending to recreational use of the BWCA decreased the county's indirect benefits from the tourist trade. For a once-flourishing hospitality industry in the northern part of the county, there are now campers who not only travel on limited budgets and avoid the many resort facilities, but also cause, in their camping activities, additional fire hazards and law enforcement problems.

ST. LOUIS, MINNESOTA

SUMMARY OF LEASEHOLDS AND POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Commercial, Recreational	$29,873[1]	$10,000
	Residential, Rights-of-way, Utilities	0	0
	Total	$29,873	$10,000

[1] Estimate. Based on average county mill rate excluding municipal levies.

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Schools	NA	$21,224,000
Water and Sewer	NA	1,095,000
Roads and Bridges	NA	476,000
Other	NA	21,682,594
Total	NA	$44,477,594

Source: St. Louis County Audit Reports

C26-10

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY St. Louis

STATE Minnesota

Year	Real Property 1/ (1)	Personal Property 1/ (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 30,184,985	$ 3,730,729	$ 33,915,714	$ 15,948,084	$ 49,863,798
1958	35,953,137	4,580,276	40,533,413	20,565,416	61,098,829
1959	37,517,458	4,308,025	41,825,483	19,251,717	61,077,200
1960	39,784,524	4,371,441	44,155,965	18,093,027	62,248,992
1961	39,611,330	4,401,259	44,012,589	24,423,343	68,435,932
1962	41,640,532	4,422,003	46,062,535	21,737,883	67,800,418
1963	41,350,106	4,594,456	45,944,562	24,972,257	70,916,819
1964	43,026,095	5,317,832	48,343,927	23,450,193	71,794,120
1965	40,705,662	5,082,484	45,788,146	30,954,999	76,743,145
1966	41,009,397	5,698,344	46,707,741	33,091,488	79,799,229
% incr./decr. '66 vs. 1st yr.	35.9	52.7	37.7	107.5	60.0

1/ Real and personal property taxes allocated, based on State of Minnesota Abstract of Assessments.

Source: St. Louis County Audit Reports, and State of Minnesota Abstract of Assessments.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY St. Louis

STATE Minnesota

	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
YEAR	Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	7,616	4,539	6,669	18,824	4.99	83.63	8.99	150.67	13.98	234.30
1958	7,560	5,130	7,469	20,159	5.21	87.46	10.48	175.85	15.69	263.31
1959	7,086	5,389	6,638	19,113	4.59	82.74	10.04	181.06	14.63	263.80
1960	7,648	6,248	6,733	20,629	4.74	88.23	10.16	188.86	14.90	277.09
1961	7,970	6,509	7,868	22,347	5.25	94.29	10.35	185.71	15.60	280.00
1962	8,364	8,131	7,299	23,794	5.31	100.02	10.28	193.62	15.59	293.64
1963	8,347	9,475	7,711	25,533	5.58	107.28	10.04	193.04	15.62	300.32
1964	9,508	9,739	8,359	27,606	5.64	115.85	9.87	202.87	15.51	318.72
1965	9,857	11,311	8,436	29,604	5.80	123.92	8.97	191.66	14.77	315.58
1966	10,555	13,549	8,893	32,997	5.97	140.29	8.45	198.59	14.42	338.88

1/ Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col (7).
Col. (10) = Col. (6) + Col. (8).

C26-11

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY St. Louis

STATE Minnesota

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$30,899,982	$3,643,145	$ 15,087,729	$ 49,630,856	$ 220
1958	36,508,088	3,782,639	17,707,630	57,998,357	252
1959	36,755,349	4,027,438	24,156,596	64,939,383	281
1960	39,101,308	4,353,923	19,307,904	62,763,135	268
1961	43,543,583	4,269,918	19,859,572	67,673,073	286
1962	40,553,980	4,347,278	23,131,143	68,032,401	286
1963	43,430,691	4,412,242	22,704,258	70,547,191	296
1964	42,793,147	4,405,331	22,355,773	69,554,251	292
1965	47,229,165	4,296,046	23,876,325	75,401,536	316
1966	48,349,784	5,778,752	23,764,774	77,893,310	331
% incr./decr.'66 vs. first year	56.5	58.6	57.5	56.9	50.5
% incr./decr.'66 vs. first year per capita	50.4	56.2	50.7	50.5	

Source: St. Louis County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

County St. Louis

State Minnesota

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial, Industrial 2/	(3) Public Utility 2/	(4) Rural	(5) Mineral, Timber Other Nat. Res. 2/	(6) Personal	(7) Other 2/	(8) Total Assessed Value
1957 Assessed Value Aver Tax Rate 148.9 mills	$ 194,966,000			$ 8,309,000		$ 23,900,000		$227,175,000
Item % of Total	85.8			3.7		10.5		100.0
1958 Assessed Value Aver. Tax Rate 183.5 mills	182,433,000			8,392,000		23,513,000		214,338,000
1959 Assessed Value Aver. Tax Rate 191.7 mills	179,426,000			8,301,000		23,841,000		211,568,000
1960 Assessed Value Aver. Tax Rate 215.7 mills	169,521,000			8,268,000		20,370,000		198,159,000
1961 Assessed Value Aver. Tax Rate 229.4 mills	158,314,000			8,190,000		18,202,000		184,706,000
1962 Assessed Value Aver. Tax Rate 259.0 mills	146,787,000			8,299,000		17,308,000		172,394,000
1963 Assessed Value Aver. Tax Rate 264.3 mills	147,540,000			5,697,000		16,327,000		169,564,000
1964 Assessed Value Aver. Tax Rate 301.4 mills	132,105,000			7,204,000		15,468,000		154,777,000
1965 Assessed Value Aver. Tax Rate 310.7 mills	119,720,000			6,520,000		15,585,000		141,825,000
1966 Assessed Value 1/ Aver. Tax Rate 330.9 mills	113,073,000			7,698,000		15,092,000		135,863,000
Item % of Total	83.2			5.7		11.1		100.0
Increase/Decrease '66 vs. '57	(42.0)			(7.4)		(36.9)		(40.2)

1/Assessed value represents approximately 10 percent of actual market value in 1966. The assessed values represented above are 20%, 25%, 33-1/3% and 40% of the true and full values. The true and full values represent 30% of actual market value.

2/Included in other items.

Source: Abstract of Real and Personal Property Taxes - State of Minnesota.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION ----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE - MINNESOTA COUNTY - ST. LOUIS										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	31251	39907	34401	40615	34336	32044	29020	23667	28495	28966
PERCENT BASE YEAR	100.0	127.7	110.1	130.0	109.9	102.5	92.9	75.7	91.2	92.7
PROGRAM ACREAGE	621281	641016	604163	596193	596195	576873	576940	576958	572575	569779
REVENUE $ PER ACRE	0.05	0.06	0.06	0.07	0.06	0.06	0.05	0.04	0.05	0.05
SUPERIOR NAT FOREST										
FEDERAL PAYMENTS ($)	17548	17555	29769	30194	30205	31293	32436	33063	34171	35831
PERCENT BASE YEAR	100.0	100.0	169.6	172.1	172.1	178.3	184.8	188.4	194.7	204.2
PROGRAM ACREAGE	160090	160170	188742	190826	190937	190965	190603	188176	193394	194533
REVENUE $ PER ACRE	0.11	0.11	0.16	0.16	0.16	0.16	0.17	0.18	0.18	0.18
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	48799	57462	64170	70809	64541	63337	61456	56730	62666	64797
PERCENT BASE YEAR	100.0	117.7	131.5	145.1	132.3	129.7	125.9	116.3	128.4	132.8
PROGRAM ACREAGE	781371	801186	792905	787019	787132	767838	767543	765134	765969	764312
REVENUE $ PER ACRE	0.06	0.07	0.08	0.09	0.08	0.08	0.08	0.07	0.08	0.08

This county does not have any Nonsection 10 land programs.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.068 is shown as $0.06. Revenues per acre for all programs combined are affected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: St. Louis

STATE: Minnesota

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Construction Material	$ 11,400
	Roads and Rights-of-way	36,580
	Fire Protection	20,040
	Other	250
	Total	$ 68,270

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County St. Louis

State Minnesota

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ NA	$ NA	$ NA
1958	NA	NA	NA
1959		NA	NA
1960	NA	NA	NA
1961	NA	NA	NA
1962	150,120	719,881	870,001
1963	168,766	1,610,717	1,779,483
1964	187,622	1,292,328	1,479,950
1965	193,321	838,182	1,031,503
1966	219,049	1,034,812	1,253,861
Average Year	183,776	1,099,184	1,282,960
Item % of Total, Average Year	14.3	85.7	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

C26-17

Federal Agency US Forest Service

Program Superior National Forest

County St. Louis

State Minnesota

TABLE NO. C-7a

Page 1 of 1

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA
1958	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1959	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1960	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1961	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1962	71,431	22,428	48,710	268,886	96,359	44,704	103,568	8,525	205,390	870,001
1963	58,155	170,301	46,652	702,606	143,788	15,986	202,419	80,138	359,438	1,799,483
1964	92,305	17,401	39,759	539,344	164,258	12,633	171,764	47,899	394,586	1,479,950
1965	59,414	14,584	41,037	400,598	171,917	8,860	73,951	7,468	253,674	1,031,503
1966	55,125	15,149	41,636	450,974	181,625	9,497	129,746	5,191	364,918	1,253,861

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY St. Louis

STATE Minnesota

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Agricultural	$ 1.50	80	$ 120	252	$ 30	38 c
Recreational	3.00	38,461	115,383	252	29,077	76
Forestry	1.20	725,771	870,925	252	219,473	30
Totals	$ 1.29	764,312	$ 986,428	252	$ 248,580	32 c

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies, based on Minnesota tree growth tax, not ad valorem tax.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

Federal Agency **U. S. Forest Service**

Revenue Sharing Program **Superior National Forest** (25%)[a/]

County ~~St. Louis~~

State Missouri

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 × a/)
1957	$ NA	$ NA	$ NA	$ NA	$ NA
1958	NA	NA	159,628	39,907	NA
1959	NA	NA	137,608	34,402	NA
1960	214,898	52,438	162,460	40,615	13,109
1961	185,318	47,970	137,348	34,337	11,992
1962	162,369	34,193	128,176	32,044	8,548
1963	169,484	53,404	116,080	29,020	13,351
1964	143,965	49,293	94,672	23,668	12,323
1965	169,437	55,457	113,980	28,495	13,864
1966	163,212	47,344	115,868	28,967	11,836

Source Federal Agencies' Field Offices.

County St. Louis

State Minnesota

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

		P.L. 815		P.L. 874	
Years	Total School Budget	Aid Provided	% of Total Budget	Aid Provided	% of Total Budget
1957	$ 30,899,982	$ 308,900	1.0	$ 6,068	.02
1958	36,508,088	528,790	1.4	22,997	.06
1959	36,755,349	528,790	1.4	47,568	.13
1960	39,101,308	528,790	1.4	49,035	.13
1961	43,543,583	605,965	1.4	51,067	.12
1962	40,553,980	0	0	62,315	.15
1963	43,430,691	0	0	76,787	.18
1964	42,793,147	23,060	.05	81,419	.19
1965	47,229,165	0	0	91,943	.19
1966	48,349,784	0	0	300,555	.62

Sources. Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

C26-21

CASE COUNTY DIGEST
GARFIELD, MONTANA

I. The County

a. General Description: Garfield County is a very sparsely populated rural county located in the east-central part of Montana about 100 miles west of North Dakota and 70 miles south of the Canadian border. The county is primarily an agricultural one and has no large towns or cities. The county seat is Jordan, the only municipality, and there are 18 school districts,[1] and one special district. The county government provides the bulk of governmental services, including property assessment, tax collection, and the various public services typically provided by county government. Jordan maintains its own assessment system, although tax collections are provided to it by the county government. The special district was created for purposes of providing television viewing facilities to the county residents. Its activity is financed through a levy upon each television set in the county.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	1,981	1966	2	2,100	6.0
Urban[2]	1960	1	0	1966	2	0	0
Rural	1960	1	1,981	1966	2	2,100	6.0
Employment	1959	3	115	1966	3	104	-9.6
Effective Buying Income ($000)	1960	2	3,510	1966	2	3,401	-3.1
Per Capita EBI ($)	1960	2	1,755	1966	2	1,620	-7.7
Public School Enrollment (K-12)	1960	1	438	1965	4	less than 300 pupils	--

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[1] This figure contained in Montana Property Tax Mill Levies, 1966, Montana Taxpayer's Association.

[2] Includes areas of 2,500 people or more.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

These figures evidence the small population of the county which has not changed materially during the 1960-1966 period. An increase of about 6% occurred in its exclusively rural population during the period. Employment covered by the Social Security Program declined by almost 10% and likewise effective buying income and per capita EBI declined. The figures relating to public school enrollment (K-12), although from an official source, are unusual at best since public school enrollment of under 300 pupils would equal only approximately 15% of the county's population. Moreover, when this student enrollment is viewed in light of county expenditures for education, it appears to be understated.

c. The Land: The total county land area exceeds 2.8 million acres of which over 0.9 million acres are in Federal ownership and are subject to PILT and RS provisions. This Federal land acreage is administered by three different agencies within the framework of four different programs as shown in detail in Table No. C-4.

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the period 1957-1966. During this period total receipts rose by just under $500,000, an increase of 114%. Almost 58% of the county's total receipts stemmed from real and personal property taxes. The balance was accounted for by other taxes and revenues which increased during the 10-year period by 212%.

Figures in Table No. C-1 include receipts from Federal revenue sharing. The receipts from revenue sharing under the Mineral Leasing Act, which is the program providing the bulk of revenue sharing payments to the county, reflect only one-half of the actual payments under the Mineral Leasing Act provisions. The other half, under Montana State law, is retained by the state and applied to state highway expenditures.

There was a moderate increase in the county's bonded indebtedness which during the 1956-1966 period slightly more than doubled. The bulk of the net increase in outstanding indebtedness is accounted for by school bonds with water and sewage bond accounting for most of the balance. A summary of bonded indebtedness is included at the end of the case study digest.

Table No. C-1a contains an estimate of state and local taxes levied upon the residents of the county. It shows a significant increase in both categories of taxation. In 1966 the combined state and local tax load accounted for 22% of the county's EBI and was equal to an estimate of $352 per capita. These figures represent increases over the 1957 load of 79% and 75% respectively.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the period 1957-1966. It reflects a rate of increase which is somewhat less than that for county receipts. During the 10-year period, the county has maintained, for the most part, a balanced budget, although expenditures per capita have more than doubled. The largest share of the increase occurred in expenditures for education which, in 1966, accounted for 48% of total expenditures.

c. Property Taxes: Table No. C-3 contains detailed data for the assessed value of property subject to tax for the period 1957-1966. During this period total assessed value increased by 52%, about two-thirds the rate of increase in property tax collection. There was a substantial increase in assessed value in all categories except mineral, timber and other natural resource properties (Col. 5), whose share of total assessed value was reduced from 7% in 1957 to 3% in 1966.

Included in the assessed real property are improvements of third parties on Federal lands although these, as shown in the summary at the end of the case study digest, have accounted for only a very small proportion of the total. Despite the county's substantial reliance on real and property taxes it has not elected to tax mineral leasing improvements and the grazing permits issued by the various agencies. Although the potential tax revenue from these possessory interests is not known, the revenues shared from mineral leasing activities indicate that taxation of these improvements might be an important source of county revenue.

III. Payment in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: The county benefited from revenue sharing programs as shown in Table No. C-4. These programs are composed of grazing tracts under TG-3, grazing permits on lands administered by the Corps of Engineers (C of E), grazing leases administered by the Bureau of Sport Fisheries and Wildlife (BSF&W) (which did not return any revenues in eight years of the 10-year period) and mineral leasing fees administered by Bureau of Land Management (BLM). Only the latter produced any substantial revenues and, as stated previously, one-half of these were retained by the state for its highway expenditures while the other half was rebated to the county and dedicated entirely to education expenditures.

During the period 1961-1966 total revenue sharing, including the portion retained by the state, varied from a low of $29,200 to a high of $81,400 (the figures for the years 1957-1960 do not include revenues from mineral leasing which were not available and therefore should not be considered in a comparison of the 10-year period). The 1966 revenue sharing of $78,300 was close to the all-time high obtained in 1965. Excluding the share of mineral leasing payments retained by the state, the RS payments to the county have varied from a low of $16,159 in 1963 to a high of $42,971 in 1965.

b. Indirect Benefits: Because the State of Montana is eligible for the BPR Sliding Scale Aid Program the county benefited from allocations to the ABC program. Total Federal aid to the county and the share allocable to the presence of public lands for an eight-year period are shown in Table No. C-5. These payments fluctuated widely with a low in 1965 of only $141 to a high in 1966 of $114,000. The average for the eight-year period was just under $25,000.

c. Value of Free Goods and Services: The county obtained free of charge certain tracts of land for public facility purposes. It also obtains from time-to-time free construction materials such as sand and gravel although the supplying agency, BLM, was unable to provide an estimate of the value of these materials. Table No. C-6 contains an estimate of the surface value of the land which amounts to $6,300. In addition, the State of Montana has obtained a tract of land from the BSF&W which is not included in the value of the free goods and services provided to the county, since the county does not benefit from the acquisition.

d. Federal Facilities and Services Having Joint Use: The county government benefited from the free use of a 7-mile game range road constructed and maintained by the BSF&W. It was estimated that the benefit to the county is equal to 60% of total cost which has an annual value of $780.

e. Resource Expenditures - Management: Federal agency land management resource expenditures were made in each year of the 10-year period. Table No. C-7 contains a summary of the expenditures made by all the agencies. They have varied from a low of $63,700 to a high of $291,800 in 1966 and have averaged $144,000 per year. Less than 20% of these expenditures were attributable to capital expenditures. Tables No. C-7a, 1, 2 and 3 contain details by expenditure category for each of the three agencies. As can be seen from these tables the expenditures of BLM account for the largest share of the total. While over 30% of BLM's expenditures were dedicated to range improvement, county officials claimed that much needs to be done to improve the grazing capacity of the BLM administered lands. The C of E's expenditures were mostly allocated to road construction and maintenance.

IV. Burdens to Local Government

a. Direct Burdens: The existence of public lands in Garfield County causes several kinds of direct financial burdens upon local government. Discussions with local government officials and review of their records indicated the following annual burdens for which no specific reimbursements by Federal agencies were made:

Maintenance of Roads	$ 9,450
Fire Protection	750
Search and Rescue	200
Predatory Animal Control	3,000
Total	$13,400

The expenditures relating to the control of predatory animals reflect payment by county government to the BSF&W for control services provided by that agency.

b. Indirect Burden: The Federal lands immunity to taxation by local government represents the loss of certain tax revenues. Due to the very low quality and value of the Federal lands in Garfield County, the loss of property taxes is relatively small. Table No. C-8 contains an estimate of the assessed value for these lands and their potential tax revenues. These figures reflect an estimated total assessed value equal to about 15% of the present county real and personal property tax assessment and a like figure for the potential tax revenue from these lands. The estimate also shows an average tax potential of 7c/acre.

c. Loss in Revenues as a Result of Sharing Net Versus Gross: The revenue sharing programs applicable to this county operate on the basis of gross collections and no reductions are made for certain specified costs.

d. Public Laws 815 and 874: The county does not qualify for these aid programs.

V. Impact of Present System

a. County Finance: The impact of the present system upon a county such as Garfield with large Federal acreage, a sparse population and a rural economy based on relatively low quality lands is significant. Conversely, the various direct benefits obtained by county account for only a very small share of total county finances. A summary of benefits and burdens is comprised of the following (1966 figures):

Revenue Sharing (C-4)	$ 78,331
Sliding Scale Payments (C-5)	114,112
Free Goods and Services (C-6)	6,300
Joint Use Facilities (III.d.)	780
Total Direct Benefits	$199,523

From these must be deducted the financial burdens from the existence of public lands:

Direct Burdens (IV.a.)	$ 13,400
Resulting Net Direct Benefit	$186,123 = 20¢/acre

The above figures compared with the potential tax revenue if the lands were in private ownership result in a favorable situation. However, they contain some distortion due to the inclusion of the entire revenue sharing from mineral leasing and the large amount from BPR sliding scale payments which, as stated previously, have averaged less than $25,000 per year. Resetting the figures to exclude half of the mineral leasing revenue sharing payments which are retained by the state and the average annual sliding scale payments results in the following:

Revenue Sharing	$42,048
Sliding Scale Payments	24,725
Free Goods and Services	6,300
Joint Use Facilities	780
Total Direct Benefits	$73,853
Direct Burdens	$13,400
Resulting Net Benefits	$60,453 = 7¢/acre

This more realistic calculation shows that the average annual net benefits to the county are less than those which might accrue if the lands were in private ownership. Of course, it must also be recognized that the portion of the mineral leasing payments retained by the state is of benefit to the county, at least indirectly, and some credit for that benefit is estimated. The total average annual benefits are approximately the same as those which might result from private ownership of the Federal lands.

One of the most serious management problems identified in Garfield County relates to the taxation of possessory interests on Federal lands and of lands acquired by private individuals or corporations. As stated before, only certain of the improvements upon Federal lands are currently taxed by the county. According to county officials, no information is furnished to the county concerning leases which are potentially taxable by the county and, therefore, are not included in the county's assessments. Likewise, it was stated that sales of public land are not being communicated promptly to the county so that assessment of these properties can be included prior to the statutory assessment date.

Another conflict in land management practices results from the activities of the wildlife refuge in which the propagation of predatory animals is fostered while these same animals represent a threat and hazard to the county's animal producing population. To overcome the problem, the county has levied a 10¢ per head livestock tax which money is being applied to the control of predatory animals. However, the contention is made that the Federal government raises these predatory animals and should, therefore, be held responsible for their control so that no additional financial burden is incurred by the county and the hazard to its predominantly agricultural economy removed.

Despite the poor quality of the county's grazing lands, it is contended that greater utilization of these lands might be obtained through the application of improved land management techniques, specifically those which would be directly related to their economic productivity. Local officials of BLM have stated that the classification of grazing lands for optimum AUM allotments is still in its infancy and that much of the land might be grazed more productively and thereby yield larger grazing revenues. Realistically, even if the utilization of these grazing lands can be doubled or tripled at the present level of grazing fees, it cannot be considered substantial or of a magnitude which would significantly improve county finance.

GARFIELD, MONTANA

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
C of E	Residential	$7,515 1/	$825
BLM	Grazing	0	0
	Mineral leases	0	0
BSF&W	None	0	0
	Total	$7,515	$825

1/ Estimated based upon average millage rate and tax collected.

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. e.)

Purpose	Face Value	Outstanding Balance
Hospital	$130,000	$ 13,000
Water & Sewage	222,500	139,300
Schools	204,000	176,500
Total	$556,500	$328,800

Source: Garfield County Audit Reports.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Garfield

STATE Montana

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$175,291	$ 128,664	$ 303,955	$ 123,087	$ 427,042
1958	188,916	149,159	338,075	149,102	487,177
1959	207,432	175,355	382,787	256,132	638,919
1960	215,403	185,422	400,825	263,744	664,569
1961	223,711	184,671	408,382	213,861	622,243
1962	216,449	161,167	377,616	228,581	606,197
1963	212,096	198,784	410,880	186,924	597,804
1964	282,476	182,811	465,287	170,819	636,106
1965	332,065	198,391	530,456	203,786	734,242
1966	319,031	209,516	528,547	384,136	912,683
% incr./decr. '66 vs. 1st yr.	82.0	62.8	73.9	212.1	113.7

Source: Garfield County Audit Reports.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY Garfield

STATE Montana

YEAR	State Taxes ($000) Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	Total State Taxes % of EBI (5)	Per Capita($) (6)	Local Property Taxes % of EBI (7)	Per Capita($) (8)	Total of State & Local Property Taxes % of EBI (9)	Per Capita($) (10)
1957	37	24	56	117	3.38	55.71	8.77	144.74	12.15	200.45
1958	37	29	51	117	3.32	58.50	9.60	169.06	12.92	227.56
1959	27	29	60	116	3.20	55.24	10.55	182.28	13.75	237.52
1960	27	31	57	115	3.28	57.50	11.42	200.41	14.70	257.91
1961	27	29	54	110	4.10	57.89	15.23	214.94	19.33	272.83
1962	26	50	58	134	5.01	70.53	14.12	198.75	19.13	269.28
1963	25	29	56	110	3.72	57.89	13.89	218.25	17.61	276.14
1964	71	30	57	158	5.36	83.16	15.72	244.89	21.08	328.05
1965	80	36	60	176	5.40	88.00	16.27	265.23	21.67	353.23
1966	94	43	73	210	6.17	100.00	15.54	251.69	21.71	351.69

1/ Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col. (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Garfield

STATE Montana

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditure: Per Capita (5)
1957	$ 208,413	$ 59,795	$ 171,423	$ 439,631	$ 209
1958	232,338	62,129	209,114	503,581	252
1959	241,112	53,690	349,029	643,831	307
1960	355,533	56,892	246,161	658,586	329
1961	285,721	53,884	276,017	615,622	324
1962	278,536	53,122	232,492	564,150	297
1963	293,831	41,420	232,434	567,685	299
1964	285,566	55,452	252,240	593,258	312
1965	310,387	66,600	297,106	674,093	337
1966	441,289	73,227	395,156	909,672	433
% incr./decr.'66 vs. first year	111.7	22.5	130.5	106.9	107.2
% incr./decr.'66 vs. first year per capita	112.1	25.0	129.3	107.2	

Source: Garfield County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

5

County Garfield

State Montana

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial Industrial 2/	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal	(7) Other 2/	(8) Total Assessed Value
1957 Assessed Value	$ 69,681		$ 53,259	$ 1,384,603	$ 201,796	$ 1,254,769		$ 2,964,108
Aver Tax Rate 102.5 mills								
Item % of Total	2.4		1.8	46.7	6.8	42.3		100.0
1958 Assessed Value	71,338		55,510	1,392,716	194,336	1,353,329		3,067,629
Aver. Tax Rate 110.2 mills								
1959 Assessed Value	72,756		55,385	1,396,709	183,306	1,443,964		3,152,120
Aver. Tax Rate 121.4 mills								
1960 Assessed Value	72,780		57,326	1,399,995	177,923	1,470,319		3,178,343
Aver. Tax Rate 126.1 mills								
1961 Assessed Value	73,266		59,106	1,401,030	160,806	1,402,508		3,096,716
Aver. Tax Rate 131.9 mills								
1962 Assessed Value	74,743		70,444	1,407,746	166,195	1,280,118		2,999,246
Aver. Tax Rate 125.9 mills								
1963 Assessed Value	75,984		76,330	1,408,897	111,231	1,567,574		3,240,016
Aver. Tax Rate 126.8 mills								
1964 Assessed Value	150,203		80,315	2,299,991	158,009	1,730,060		4,418,578
Aver. Tax Rate 105.1 mills								
1965 Assessed Value	162,236		84,016	2,307,625	149,426	1,620,000		4,323,303
Aver. Tax Rate 122.8 mills								
1966 Assessed Value 1/	174,622		94,923	2,317,983	129,906	1,780,000		4,497,434
Aver Tax Rate 117.4 mills								
Item % of Total	3.9		2.1	51.5	2.9	39.6		100.0
Increase/Decrease '66 vs. '57	150.6		78.2	67.4	(35.6)	41.9		51.7

1/ Assessed value represents 8 percent of actual market value in 1966.

2/ Included in other items.

Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-6
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION ---	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE - MONTANA COUNTY - GARFIELD										
MIGRATORY BIRD ACT										
FEDERAL PAYMENTS ($)	0	0	71	0	28	0	0	0	0	0
PERCENT BASE YEAR	0.0	0.0	100.0	0.0	39.4	0.0	0.0	0.0	0.0	0.0
PROGRAM ACREAGE	0	0	321586	0	321586	0	0	0	0	0
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
MINERAL LEASING ACT										
FEDERAL PAYMENTS ($)*	NA	NA	NA	33666	25458	29835	22440	24040	76815	72564
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	75.6	88.6	66.7	71.4	228.2	215.5
TAYLOR GRAZE SECT 3										
FEDERAL PAYMENTS ($)	NA	NA	NA	2614	2247	2178	3061	2758	2726	3001
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	86.0	83.3	117.1	105.5	104.3	114.8
PROGRAM ACREAGE	NA	NA	NA	667323	666852	666732	664091	526853	519023	749012
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.01	0.00
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	NA	NA	71	36280	27733	32013	25501	26798	79541	75565
PERCENT BASE YEAR	0.0	0.0	100.0	51098.6	39060.5	45088.7	35916.9	37743.6	112029.5	106429.5
PROGRAM ACREAGE	NA	NA	321586	667323	988438	666732	664091	526853	519023	749012
REVENUE $ PER ACRE	0.00	0.00	0.00	0.05	0.03	0.05	0.04	0.05	0.15	0.10

NA = data not available.

*90% of mineral leasing $$ is withheld by the state under state law.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.068 is shown as $0.06. Revenues per acre for all programs combined are affected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4A
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS.NON SECTION 10 LANDS
(AND TOTALS FOR ALL SECTION 10 AND NONSECTION 10 PROGRAMS)

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = MONTANA										
COUNTY = GARFIELD										
NATL GRASSLANDS (BLM)										
FEDERAL PAYMENTS ($)	NA	NA	0	89	0	0	0	0	0	0
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0
PROGRAM ACREAGE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
FLOOD CONTROL PROGRAM *										
FEDERAL PAYMENTS ($)	2732	2546	2372	3928	2929	1803	1876	2422	1837	2765
PERCENT BASE YEAR	100.0	93.2	86.8	143.8	107.2	66.0	68.7	88.7	67.2	101.2
TOTAL ALL SECTION 10 & NONSECTION 10 PROGRAMS										
FEDERAL PAYMENTS ($)	2732	2546	2443	40297	30662	33816	27377	29220	81378	78330
PERCENT BASE YEAR	100.0	93.2	89.4	1475.0	1122.3	1237.8	1002.1	1069.6	2978.7	2867.1
PROGRAM ACREAGE	NA	NA	321586	667323	988438	666732	664891	526853	519023	749012
REVENUE $ PER ACRE	NA	NA	0.01	0.06	0.03	0.05	0.04	0.06	0.16	0.10

NA = data not available. This county does not have any Nonsection 10 land programs.

*Total land available under program in 1966 was 157,019 acres.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

C27-14

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID, BPR SLIDING SCALE PROGRAM, IN COUNTY

COUNTY Garfield

STATE Montana

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ NA	$ NA
1958	NA	NA
1959	167,298	16,177
1960	58,210	4,335
1961	433,780	42,767
1962	58,721	3,100
1963	115,556	5,144
1964	248,290	12,026
1965	1,522	141
1966	946,175	114,112

Source: U.S. Bureau of Public Roads, allocation by EBSMC.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Garfield

STATE: Montana

Supplying Agency	Type of Goods & Services	Annual Value
C of E	Rights-of-way	$ 6,300
BLM	Construction Material	NA
	Total	$ 6,300

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County **Garfield**

State **Montana**

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 54,900	$ 8,800	$ 63,700
1958	59,800	8,900	68,700
1959	62,500	8,800	71,300
1960	65,100	6,900	72,000
1961	125,000	12,600	137,600
1962	114,900	13,600	128,500
1963	146,400	11,200	157,600
1964	159,100	51,100	210,200
1965	153,300	85,400	238,700
1966	216,900	74,900	291,800
Average Year	115,790	28,220	144,010
Item % of Total, Average Year	80.4	19.6	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency Interior - BLM

Program All

County Garfield

State Montana

TABLE NO. C-7a

Page 1 of 3

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 0	$ 27,751	$ 5,550	$ 0	$ 0	$ 0	$ NA	$ NA	$ 27,699	$ 61,000
1958	2,970	24,484	8,123	0	728	0	NA	NA	29,695	66,000
1959	4,626	29,374	6,938	0	0	0	NA	NA	27,062	68,000
1960	5,916	41,410	8,843	1,016	0	0	NA	NA	10,815	68,000
1961	6,379	92,839	9,449	1,063	0	0	NA	NA	23,270	133,000
1962	5,458	67,457	8,186	0	2,729	0	NA	NA	40,170	124,000
1963	29,601	85,007	12,084	1,358	6,791	0	NA	NA	16,159	151,000
1964	12,997	63,205	5,337	4,645	3,558	16,011	NA	NA	72,247	178,000
1965	14,519	58,460	5,998	3,998	7,189	16,377	36,752	NA	23,707	167,000
1966	16,867	75,342	7,973	17,072	8,894	10,530	48,661	NA	48,661	234,000

Source: Federal Agencies' Field Offices.

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Federal Agency Bureau of Sport Fisheries & Wildlife

Program Charles M. Russell National Wildlife Refuge

County Garfield

State Montana

TABLE NO. C-7a

Page 2 of 3

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 2,000	$ 0	$ 2,000
1958	0	0	0	0	0	0	0	2,000	0	2,000
1959	0	0	0	0	0	0	0	2,100	0	2,100
1960	0	0	0	0	0	0	0	2,600	0	2,600
1961	0	0	0	0	0	0	0	3,200	0	3,200
1962	0	0	0	0	0	0	0	3,200	0	3,200
1963	0	0	0	0	0	0	0	3,500	0	3,500
1964	0	0	0	0	0	0	0	8,000	0	8,000
1965	0	0	0	0	0	0	0	8,000	0	8,000
1966	0	0	0	0	0	0	0	8,200	0	8,200

Source: Federal Agencies' Field Offices.

C27-19

C27-20

Federal Agency Corps of Engineers

Program Ft. Peck Dam and Reservoir

County Garfield

State Montana

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 700	$ 0	$ 0	$ 700
1958	0	0	0	0	0	0	700	0	0	700
1959	0	0	0	0	0	0	1,200	0	0	1,200
1960	0	0	0	0	0	0	1,400	0	0	1,400
1961	0	0	0	0	0	0	1,400	0	0	1,400
1962	0	0	0	0	0	0	1,300	0	0	1,300
1963	0	0	0	0	0	0	3,100	0	0	3,100
1964	0	0	0	20,000	0	0	4,200	0	0	24,200
1965	0	0	0	60,000	0	0	3,700	0	0	63,700
1966	0	0	0	46,000	0	0	3,600	0	0	49,600

Source: Federal Agencies' Field Offices.

C27-21

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Garfield

STATE Montana

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acr 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
BLM						
Grazing	$ 0.72	749,012	$ 539,289	108.6	$ 58,567	8¢
C of E						
Hay Land	3.41	209	713	108.6	77	37
Grazing - G-4	0.76	31,362	23,835	108.6	2,588	8
G-5	0.44	52,718	23,196	108.6	2,519	5
G-6	0.25	72,730	18,185	108.6	1,975	3
Totals	$ 0.67	906,031	$ 605,218	108.6	$ 65,726	7¢

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

CASE COUNTY DIGEST
LINCOLN, MONTANA

I. The County

a. General Description: Lincoln County is a sparsely populated heavily forested county (95% of its area is covered by forest). It is located in the northwestern-most part of the state bordering Idaho to the west and Canada to the north. The county seat is Libby. It contains three municipalities, 15 school districts and three special districts which participate in agriculture, fire protection and cemetery operation (note: number of school districts and school population as shown in vital statistics).

The form of county and municipal governments is conventional with overlapping activities. The county provides such typical services as welfare, health, hospital and general resource development. Overall financial control and tax collection are also provided by county government. Assessment, sanitation, planning, law enforcement and the general court are services which the county and the municipalities have in common. The municipalities provide street construction and maintenance, utility operation, fire protection and cemetery operation independent of the county.

b. Vital Statistics: Following are the vital statistics for the county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	12,537	1966	2	14,000	11.7
Urban[1]	1960	1	2,833	1966	2	3,200	13.0
Rural	1960	1	9,704	1966	2	10,800	11.1
Employment	1959	3	2,567	1966	3	2,552	-0.6
Effective Buying Income ($000)	1960	2	19,556	1966	2	29,512	50.9
Per Capita EBI ($)	1960	2	1,528	1966	2	2,108	38.0
Public School Enrollment (K-12)	1960	1	2,884	1965	4	3,400	17.9

1/ Includes areas of 2,500 people or more.

Sources: See Page C28-2.

These figures evidence a modest population increase during the period 1960-1966. Of the approximately 1,500 new inhabitants one-third increased the existing urban population and two-thirds the existing rural population. During the time period 1959-1966 total employment in the county declined slightly while the total effective buying income increased by over 50%, resulting in a per capita EBI increase of 38%. Public school enrollment (K-12) increased by a little over 500 students or 18% which, according to the latest available records, are divided among the 15 school districts.

c. The Land: The county land area of 2.4 million acres is, for the most part, rural with 74% or 1,751,000 acres in Federal ownership comprising portions of three national forests.

The above acreage figure on Federal land ownership was furnished by the Forest Service. Figures published by the county government and allegedly emanating from the Forest Service show 1,818,448 acres under management of the Forest Service.

Additionally, approximately 25,000 acres of private lands located in the county are being acquired by the U.S. Corps of Engineers in connection with construction of the Libby Dam. Precise figures of Federal ownership of land within Lincoln County as of the end of 1966 appear to be unavailable and despite reported inquiries, both with county government and Federal agencies, the only reliable figures available for the purpose of this case study are the figures first mentioned herein; namely, the acreage under the jurisdiction of the Forest Service which, as stated, totals about 1.7 million acres. The three national forest included in this acreage figure are Kootenai, Flathead and Kanisku.

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the period 1957-1966. During this period total receipts rose by 72% with a nearly equal increase in the receipts from property taxes and other taxes and revenues.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March Employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

During the period 1956-1966 outstanding bonded indebtedness almost tripled. The purpose of the major share of the increase was the financing of new schools, while a modest share of the new indebtedness was applied to water and sewage facilities and other county buildings. The summary of bonded indebtedness is included in the summary at the end of the case study digest.

The combined state and local property tax burdens shown in Table No. C-1a declined as a percent of total EBI, while on a per capita basis they increased during the 10-year period by 44%. Of course, this situation is attributable to the increase in total county EBI which surpassed the increase in local and state tax levies. Figures in Table No. C-1 include receipts from Federal revenue sharing, viz. payments made to the county from the Forest Fund.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the period 1957-1966. It reflects a rate of increase which is below that for receipts and resulted in budget surpluses in several of the years during the 10-year period. Expenditures per capita increased at less than one-half the rate of total expenditures which, of course, is attributable to the increase in population.

The largest increase in expenditures occurred for education, a rate of increase over the 10-year period of 79% which accounted for all but approximately $180,000 of the total increase in expenditures of approximately $1.1 million.

c. Property Tax: Table No. C-3 contains detailed data for the assessed value of property subject to tax for the period 1957-1966. During this period total assessed value increased by 50% or approximately $4 million. The largest share of this increase stemmed from residential properties which, in 1966, accounted for 27% of the total, while in 1957 their share was only 13% of the total. The share of public utilities and personal properties also increased at approximately the same rate while all other items, with the exception of rural properties, increased at a lesser rate. The assessed value of rural properties actually declined and their share of the total, in 1966, was only one-half of their share in 1957.

Included in the assessed real property are improvements located on Federal lands, however, they account for only $3,800 of assessed value and yield tax revenue of $177 per year. These figures are also contained in a summary at the end of the case study digest.

III. Payments in Leiu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: The only revenue sharing program from which Lincoln is receiving direct benefit is the national forests program. Throughout the 10-year study period timber cutting and grazing activities were conducted at a relatively high level and substantial revenues accrued to the county in each of the years of the 10-year period. Table No. C-4 contains the detailed figures. In 1961 a substantial drop in income occurred but since that time revenues increased in each of the years except 1965, although the highs experienced from 1957 to 1960 were attained again. The 1966 revenue sharing amount was equal to approximately 10% of total county receipts, while in 1957, the year of the all-time high, it accounted for approximately 23% of total receipts. The disparity between the increase in total county receipts and those from the revenue sharing program is further demonstrated by a comparison of county receipts from "Other Taxes and Revenues" which contain revenue sharing payments. In 1957, the revenue sharing payments accounted for over 50% of the total in this category. In 1966, the revenue sharing component was reduced to about 23%. Thus, the county's reliance upon revenue sharing as a percentage of revenue from all sources other than property tax declined during the 10-year period to about one-half of the share provided at the beginning of this period.

b. Indirect Benefits: Because the State of Montana is eligible for the BPR sliding scale program, the county benefited from the allocations to the ABC program in four years during the last five. Table No. C-5 contains the figures relating to sliding scale benefits attributable to the presence of public lands in Lincoln County. Contrarily, under the provisions for participation in the BPR sliding scale program, Federal lands in national forests are excluded from participation and, consequently, Lincoln County should not have participated in this program. It is understood that the figures contained in Table No. C-5 are an allocation to Lincoln County from the total state allocation in which national forest, park and monument lands were excluded.

The 1966 payment attributable to the presence of public lands was only $2,462, about 10% of the amount expended in 1965, whereas the average annual payments for the six-year period 1961-1966 amounted to $13,500.

b. Value of Free Goods and Services: The county obtained free of charge several tracts of land for various public purposes including school sites, roads and construction material sources which, based on the estimated value of these lands, resulted in a calculated annual benefit to the county of $17,544. Table No. C-6 contains a summary of these data.

c. Federal Facilities and Services Having Joint Use: The county government has benefited from the free use of several roads located in two of the national forests. The rate of usage of these roads by the county government was estimated at between 2% and 50%. Applying these utilization rates to the road construction and maintenance cost, an estimate of the annual net benefit to the county of $21,237 resulted.

d. Resource Expenditures - Management: The Forest Service reported substantial resource expenditures during each of the study years. During the 10-year period total annual expenditures more than quadrupled. In 1957, they were $431,000 as compared with $1.9 million in 1966. The average annual resource expenditures during this period was $943,176; 31% of the total represented capital expenditures with the balance administrative and operating expenses. Table No. C-7a contains a breakdown of these figures by expenditure category.

The Forest Service's management program in the county was not shown to be oriented towards a maximization of the available timber cut for commercial purposes.

IV. Burdens to Local Government

a. Direct Burdens: The existence of the forest lands in Lincoln County, according to county officials, is causing several kinds of financial burdens for which only partial reimbursement is obtained. The financial burden is comprised of:

Law Enforcement and Fire Protection	$35,000
Welfare Programs	10,500
Total	$45,500

According to county officials, most of these burdens result from the existence of a work force and their families engaged in the construction of the Libby Dam.

b. Indirect Burden: With the exception of a very small quantity of the Federal forest acreage, the land is of reasonably good quality and is either commercial timber stands or is of residential quality. Consequently, its immunity to taxation results in the loss of considerable tax revenue. An estimate of the assessed value and the potential tax revenue, if the lands were in private ownership, is contained in Table No. C-8. It results in a total estimate for assessed value of $4.2 million and a potential tax revenue of $622,000, equal to 36¢/acre. This estimate uses the relatively high mill rate (the 1966 weighted average) but it reflects the relatively low assessed values equal to approximately 8% of market value.

c. Loss in Revenues as a Result of Sharing Net Versus Gross: The collection of K-V Funds from forest receipts in each of the years during the 10-year period amounted to substantial figures. These collections increased in practically each year and rose from a low of $218,000 in 1957 to a high of over $552,000 in 1966. They resulted in reductions in revenue sharing of from over $54,000 to $138,000 per year. In 1966, the resulting reduction or loss in revenue sharing was equal to 41% of the amount shared.

Collections for the K-V Fund over the 10-year period do not bear any direct relationship to gross receipts. In 1961, the year in which gross receipts declined by almost 60% from the previous year, the collection for the K-V Fund was almost unchanged.

Additionally the RS payments to the county have been reduced as a result of the Forest Service's practice to reduce the value of the timber purchase contracts by the estimated cost of construction and reconstruction of harvest roads. If this reduction had not been made in 1966 -- it amounted to $347,253 -- the RS payment to the county would have been increased by $86,813.

d. Public Laws 815 and 874: The county qualified in each of the years 1957-1966 for Federal aid under PL 874. The property figures are contained in Table No. C-10.

V. Impact of Present System

a. County Finance: The impact of the present system upon Lincoln County is not favorable for at least two reasons. As mentioned earlier, payments from revenue sharing declined as (1) a share of total county receipts and (2) the net benefits per acre are substantially smaller than those which can be expected to result from tax collections if the land were in Federal ownership. A summary of benefits and burdens is comprised of the following (1966 figures):

Revenue Sharing (C-4)	$335,786
Sliding Scale Payments (C-5)	2,462
Free Goods & Services (C-6)	17,544
Value of Joint Use Facilities (IV.d.)	21,237
Total Direct Benefits	$377,029

From these must be deducted financial burdens from the presence of public lands:

Direct Burden (IV.a.)	$ 45,500
Resulting Net Direct Benefit	$331,529 = 19¢/acre

If the sliding scale payment quoted above were increased to equal the six-year annual average, total net benefits would increase by approximately $11,000 to a grand total of $342,500, a marginal increase in the total net benefit.

Comparing these figures with the potential tax revenue if the lands were in private ownership results in sizable disparity since the estimate of potential tax revenues yields 36¢/acre. County officials some time ago compared the tax revenues resulting from privately owned timber land in the county. According to their figures, exclusive of income tax, the over 380,000 acres of privately owned timber lands produced in 1966 a gross tax revenue of $104,440, or 27¢/acre.

b. The Overview: Besides the identified disparity between the present revenue sharing program and the potential tax revenue if the lands were in private ownership, the county's most serious problem results from the construction of the Libby Dam. While on the one hand it has provided a temporary stimulant to the county's overall economy, it is creating many problems in the provision of public services for which no specific Federal aid is provided. With the exception of payments under PL 874, no additional Federal contributions are made to the county while the burdens increase.

The suggestion was made by county officials that certain tracts of Federal land be made available for private development as stimulated by the construction of the dam and related reservoirs. However, the Forest Service claimed that under present laws and regulations, it cannot accede to such requests. Thus, the contention is made that while suitable private lands have skyrocketed in price, the Federal agencies which are responsible for the burdens created due to the presence of public lands are doing little or nothing to contribute toward the alleviation of the burdens created.

LINCOLN, MONTANA

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Residential	$3,821	$177
	Total	$3,821	$177

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose		Face Value	Outstanding Balance
Schools		$2,764,100	$1,609,550
Roads		9,000	1,400
Water & Sewage		273,500	206,675
Buildings		154,500	100,000
	Total	$3,201,100	$1,917,625

Source: Lincoln County Audit Reports.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Lincoln

STATE Montana

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 791,352	$ 337,216	$ 1,128,568	$ 838,508	$ 1,967,076
1958	830,086	333,151	1,163,237	1,128,744	2,291,981
1959	832,525	350,880	1,183,405	1,273,374	2,456,779
1960	908,267	414,195	1,322,462	893,829	2,216,291
1961	943,769	425,004	1,368,773	2,128,083	3,496,856
1962	1,055,771	484,152	1,539,923	935,248	2,475,171
1963	1,138,287	563,951	1,702,238	1,278,213	2,980,451
1964	1,274,681	421,050	1,695,731	1,881,836	3,577,567
1965	1,393,099	491,760	1,884,859	1,290,632	3,175,491
1966	1,398,821	523,164	1,921,985	1,453,699	3,375,684
% incr./decr. '66 vs. 1st yr.	76.8	55.1	70.3	73.4	71.6

Source: Lincoln County Audit Reports.

C28-9

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY Lincoln

STATE Montana

C28-10

YEAR	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
	Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	295	106	296	697	4.48	62.23	7.26	100.77	11.74	163.00
1958	329	135	299	763	4.60	65.21	7.01	99.42	11.61	164.63
1959	328	131	321	780	4.69	69.64	7.12	105.66	11.81	175.30
1960	362	170	367	899	4.60	70.23	6.76	103.32	11.36	173.55
1961	396	228	374	998	4.75	75.61	6.51	103.69	11.26	179.30
1962	414	235	404	1,053	5.07	79.17	7.42	115.78	12.49	194.95
1963	451	322	407	1,180	3.59	86.13	5.18	124.25	8.77	210.38
1964	446	248	422	1,116	4.59	79.15	6.98	120.26	11.57	199.41
1965	465	281	417	1,163	4.53	83.07	7.34	134.63	11.87	217.70
1966	512	376	484	1,372	4.65	98.00	6.51	137.28	11.16	235.28

1/ Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Lincoln

STATE Montana

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$ 1,201,737	$ 285,287	$ 457,385	$ 1,944,409	$ 174
1958	1,161,312	303,190	533,226	1,997,728	171
1959	1,263,515	292,341	604,564	2,160,420	193
1960	1,321,538	328,580	579,411	2,229,529	174
1961	2,098,217	384,476	858,753	3,341,446	253
1962	1,614,473	383,502	814,339	2,812,314	211
1963	1,844,588	354,329	1,156,822	3,355,739	245
1964	2,523,740	284,148	727,688	3,535,576	251
1965	2,127,135	294,971	724,856	3,146,962	225
1966	2,151,110	289,216	631,492	3,071,818	219
% incr./decr.'66 vs. first year	79.0	1.4	38.1	58.0	25.9
% incr./decr.'66 vs. first year per capita	43.2	(18.9)	10.5	25.9	

Source: Lincoln County Audit Reports.
Col.(5): Col. (4) divided by population estimates, Sales Management.

C-28-1

County Lincoln

State Montana

C28-12

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial Industrial	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal	(7) Other2/	(8) Total Assessed Value
1957 Assessed Value Aver Tax Rate 141.6 mills	$ 1,014,893	$ 341,188	$ 2,828,411	$ 716,003	$ 688,621	$ 2,380,997		$ 7,970,113
Item % of Total	12.7	4.3	35.5	9.0	8.6	29.9		100.0
1958 Assessed Value Aver. Tax Rate 144.7 mills	1,058,822	348,248	2,926,651	735,874	665,567	2,304,350		8,039,512
1959 Assessed Value Aver. Tax Rate 143.9 mills	1,095,731	359,371	2,768,884	750,148	811,931	2,438,308		8,224,373
1960 Assessed Value Aver. Tax Rate 156.9 mills	1,142,205	381,259	2,747,892	768,812	747,854	2,639,060		8,427,082
1961 Assessed Value Aver. Tax Rate 166.4 mills	1,163,971	346,907	2,767,941	797,718	593,615	2,554,165		8,224,317
1962 Assessed Value Aver. Tax Rate 187.8 mills	1,238,521	394,004	2,567,802	791,091	630,776	2,578,482		8,200,676
1963 Assessed Value Aver. Tax Rate 205.0 mills	1,227,595	397,520	2,524,350	771,566	629,799	2,750,745		8,301,575
1964 Assessed Value Aver. Tax Rate 162.7 mills	3,007,918	804,348	2,636,283	729,847	653,744	2,587,738		10,419,878
1965 Assessed Value Aver. Tax Rate 168.0 mills	3,155,267	947,697	2,717,258	559,641	744,018	3,092,180		11,216,061
1966 Assessed Value1/ Aver. Tax Rate 160.2 mills	3,283,435	1,088,395	2,884,370	576,825	896,623	3,266,264		11,995,912
Item % of Total	27.4	9.1	24.0	4.8	7.5	27.2		100.0
Increase/Decrease '66 vs. '57	223.5	219.0	2.0	(19.4)	30.2	37.2		50.5

1/Assessed value represents 8 percent of actual market value in 1966.

2/ Included in other items.

Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = MONTANA										
COUNTY = LINCOLN										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	427006	283234	290601	413155	114916	249359	228765	250673	244001	335785
PERCENT BASE YEAR	100.0	66.3	68.1	96.8	26.9	58.4	53.6	58.7	57.1	78.6
PROGRAM ACREAGE	1749527	1749527	1749556	1749836	1749836	1749975	1750050	1750050	1750029	1750957
REVENUE $ PER ACRE	0.24	0.16	0.17	0.24	0.07	0.14	0.13	0.14	0.14	0.19
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	427006	283234	290601	413155	114916	249359	228765	250673	244001	335785
PERCENT BASE YEAR	100.0	66.3	68.1	96.8	26.9	58.4	53.6	58.7	57.1	78.6
PROGRAM ACREAGE	1749527	1749527	1749556	1749836	1749836	1749975	1750050	1750050	1750029	1750957
REVENUE $ PER ACRE	0.24	0.16	0.17	0.24	0.07	0.14	0.13	0.14	0.14	0.19

This county does not have any Nonsection 10 land programs.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

028-13

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID, BPR SLIDING SCALE PROGRAM, TO COUNTY

COUNTY Lincoln

STATE Montana

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ 0	$ 0
1958	0	0
1959	0	0
1960	0	0
1961	182,370	8,200
1962	0	0
1963	416,109	45,093
1964	0	0
1965	247,461	25,680
1966	21,671	2,462

Source: U.S. Bureau of Public Roads, allocation by EBSMC.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Lincoln

STATE: Montana

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Land (for various public purposes, including school site)	$ 17,544
	Total	$ 17,544

Source: Federal Agencies' Field Offices, EBSMC Estimates.

TABLE NO. C-7

County Lincoln

State Montana

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 260,760	$ 170,249	$ 431,009
1958	300,261	176,344	476,605
1959	496,894	92,542	589,436
1960	569,250	238,198	807,448
1961	528,481	223,271	751,752
1962	834,768	394,641	1,229,409
1963	523,257	300,771	824,028
1964	932,972	609,132	1,542,104
1965	652,403	246,224	898,627
1966	1,426,058	455,286	1,881,344
Average Year	652,510	290,666	943,176
Item % of Total, Average Year	69.2	30.8	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Kanisku, Flathead, & Kootenai National Forests

County Lincoln

State Montana

TABLE NO. C-7a

Page 1 of 1

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 75,024	$ 2,017	$ 0	$ 106.052	$ 195,307	$ 48,399	$ 3,413	$ 517	$ 280	$ 431,009
1958	82,799	1,963	0	172,174	161,501	53,239	4,132	517	280	476.605
1959	90,923	1,963	0	323,700	108,325	58,563	5,165	517	280	589,436
1960	102,412	2,004	0	498,623	97,745	86,772	10,743	429	8,720	807,448
1961	92,959	1,739	0	434,179	127,296	69,967	11,673	826	13,113	751,752
1962	116,532	2,429	1,198	879,962	128,016	67,435	16,528	5,445	11,864	1,229,409
1963	115,012	2,529	8.781	438.821	195,473	25,825	25,309	4,390	7,888	824,028
1964	128,268	2,473	0	1,037,592	231,525	109,918	18,801	4.606	8,921	1,542,104
1965	120,190	1,560	799	406,874	302,718	27,891	25,102	4,076	9,417	898,627
1966	124,325	2,791	21,317	1,324,898	264,544	104,850	22,933	4,433	11,053	1,881,344

Source: Federal Agencies' Field Offices.

C28-17

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Lincoln

STATE Montana

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
White Pine	$ 6.00	23,974	$ 143,844	147.88	$ 21,272	88¢
Ponderosa Pine	4.25	152,663	648,818	147.88	95,947	63
Douglas Fir	3.25	669,771	2,176,756	147.88	321,899	48
Spruce	3.75	199,829	749,359	147.88	110,815	55
Cedar, Hemlock, etc.	2.25	25,105	5,649	147.88	835	33
Cottonwood, Alder, etc.	.75	444,654	333,491	147.88	49,317	11
Saplings, Seedlings	.50	149,778	74,889	147.88	11,075	7
Inundated Land	.60	1,293	776	147.88	115	9
Grazing	.25	82,370	20,593	147.88	3,045	4
Residential, Commercial	33.50	1,520	50,920	147.88	7,530	495
Totals	$ 2.40	1,750,957	$ 4,205,095	147.88	$ 621,850	36¢

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

Federal Agency US Forest Service
Revenue Sharing Program Kanisku, Flathead, & Kootenai National Forests (25%)a/
County Lincoln
State Montana

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 x a/)
1957	$ 1,925,897	$ 217,867	$ 1,708,030	$ 427,007	$ 54,467
1958	1,366,493	233,551	1,132,942	283,236	58,388
1959	1,393,121	230,711	1,162,410	290,602	57,678
1960	1,985,148	332,527	1,652,621	413,155	83,132
1961	786,721	327,048	459,673	114,918	81,762
1962	1,402,186	404,741	997,445	249,361	101,185
1963	1,372,817	457,759	915,058	228,765	114,440
1964	1,394,671	391,971	1,002,700	250,675	97,993
1965	1,348,599	372,587	976,012	244,003	93,147
1966	1,895,347	552,202	1,343,145	335,786	138,051

Source: Federal Agencies' Field Offices.

C28-19

County Lincoln

State Montana

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACIED AREAS

Years	Total School Budget	P.L. 815 Aid Provided	P.L. 815 % of Total Budget	P.L. 874 Aid Provided	P.L. 874 % of Total Budget
1957	$ 1,201,737	$ 0	0	$ 40,277	3.4
1958	1,161,312	0	0	3,331	.3
1959	1,263,515	0	0	16,880	1.3
1960	1,321,538	0	0	11,170	.8
1961	2,098,217	0	0	17,804	.8
1962	1,614,473	0	0	16,346	1.0
1963	1,844,588	0	0	5,742	.3
1964	2,523,740	0	0	40,204	1.6
1965	2,127,135	0	0	32,830	1.5
1966	2,151,110	0	0	45,250	2.1

Sources: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

C28-20

CASE COUNTY DIGEST
CLARK, NEVADA

I. The County

a. General Description: Clark is a rapidly growing county located in the southeastern corner of Nevada, bordering on Arizona. The county seat is Las Vegas and the county contains four municipalities, nine townships, one school district and 11 special districts. The services of the special districts include: Fire Protection (2), Library (4), Recreation (2), Sanitation (2) and Utility (1).

The county has a conventional form of government which conducts overall fiscal activities for all units of government within its boundaries including tax collection and assessment. There also is the typical overlap in administrative functions provided by county and municipal government, both engaging in such activities as administration, general court, construction and maintenance of streets, law enforcement, public safety, fire protection, planning, sanitary facilities and other utility operations.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	127,016	1966	2	244,700	92.7
Urban[1]	1960	1	106,058	1966	2	197,800	86.5
Rural	1960	1	20,958	1966	2	46,900	123.8
Employment	1959	3	34,099	1966	3	60,977	78.8
Effective Buying Income ($000)	1960	2	320,290	1966	2	729,006	127.6
Per Capita EBI ($)	1960	2	2,417	1966	2	2,979	23.3
Public School Enrollment (K-12)	1960 (fall)	4	37,753	1965 (fall)	4	75,318	99.5

1/ Includes areas of 2,500 people or more.

Sources: See Page C29-2

As mentioned, the county has experienced above-average growth rate in population, almost doubling during the 1960-1966 period with an increase of 140% during the 10-year period ending 1966. Rural population increased at a faster rate than urban; it, however, in 1966 represented only 20% of the county's total population. Employment and total effective buying income grew rapidly. Public school enrollment (K-12) exceeded population growth by approximately 5%.

c. The Land: Clark is a highly intense Federal land county. Of the total land area, slightly over 5 million acres, more than 2.9 million acres are in Federal ownership. The Federal land is composed of:

National Forests	56,666 acres
Grazing Districts	2,265,543 acres
Wildlife Sanctuar	323 acres
Boulder Dam Land	355,855 acres
Total Federal Lands	2,978,387 acres

All these lands are subject to PILT and RS programs.

II. County Finance

a. Revenues: Table No. C-1 contains detailed revenue data for the period 1957-1966. During this period total receipts rose by almost $64 million or 296%, over twice the population growth rate. While receipts from real and personal property taxes more than tripled, the receipts from other sources including sales and income taxes increased at an even greater rate. Put differently, the county's dependency upon sources of revenue other than ad valorem taxes exceeded the increase relative to conventional property taxation.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns, (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

Figures in Table No. C-1 include receipts from Federal revenue sharing but the annual payment in lieu of taxes relating to the Boulder Dam Project are excluded because it is made directly to the state and no share of it is passed on to the county. Even if it were rebated to the county, it would represent a small amount in relation to the county's total receipts and its total property tax receipts.

As can be seen by Table No. C-1a, per capita collection of state taxes increased from $125 to $178 while per capita collection of local property taxes increased from $74 to $108. Combined state and local taxes decreased as a percent of EBI by nearly 2% due to the rapid increase in effective buying income and the increased reliance upon sources of revenue other than conventional property taxation as mentioned above. Since property taxes have increased at a faster rate than the population, property taxes per capita have increased by 44%.

Bonded indebtedness reached an outstanding balance of over $146 million in 1966 after a total face value of $174.5 million had been incurred. The indebtedness for schools, water and sewage accounts for over two-thirds of the total. The 1966 outstanding balance equals 1.7 times the total annual budget. A summary of bonded indebtedness is attached to the end of the case study digest.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the 10-year period.

The largest increase in expenditures was for items other than education and highways, a major item reportedly being the provision of utility services over large areas. Total county expenditures per capita doubled during the 10-year period, rising from $178 to $356.

c. Property Taxes: Table No. C-3 contains detailed data for the assessed value of property subject to tax for the 1957-1966 period. It shows an increase in assessed values from $182 million to $624 million, an increase of 243%, with the largest shares of the increase represented by residential and commercial-industrial properties. The latter is indicative of the growing industrialization in the county. This is further indicated by the static figures relating to the rural properties. While the average mill rate for the county remained the same during the 10-year period, it is understood that the rate of assessment increased and averaged 35% of the market value by 1966.

Included in the tax base are the assessed values of possessory interests on Federal lands. These account for $569,000, generating an annual tax revenue of $27,400. All possessory interests on Federal lands except grazing leases are taxed by the county. A summary of types of leases is attached at the end of this case study digest.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: The Bureau of Land Management, the Bureau of Sport Fisheries and Wildlife, and the Bureau of Reclamation have active programs in the county. The total direct revenue from these programs, applicable to more than 2.9 million acres, remained almost completely unchanged over the entire 10-year period. The highest total occurred in 1962 with $2,542 while the 1966 total amounted to just under $2,000. Thus, the direct payments to the county have been insignificant for each of the 10 years, although there is the payment of $300,000 by the Bureau of Reclamation which, as mentioned, accrues to the state with no rebate to the county.

b. Indirect Benefits: The State of Nevada is eligible for the BPR Sliding Scale Highway Aid Program and Clark County has benefited from allocations to the ABC and Interstate Highway programs. Total Federal aid to the county and the share allocable to the presence of public lands for the 10-year period are shown in Table No. C-5. The county's share has varied from a high of $2.3 million in 1963 to a low of $87,000 in 1959. The 1966 payment allocable to the county and specifically relating to the presence of public lands amounted to $1,239,210. The wide variation in payments is attributable to budget and activity changes rather than any public land-related function.

c. Value of Free Goods and Services: From time to time the county obtains free of charge a variety of free goods and services including land and construction materials. Based on estimates of the various supplying Federal agencies of the value of the goods and services provided, it was calculated that their annual benefit to the county amounts to approximately $6,000, another relatively insignificant contribution. The annualized value of the free goods provided by supplying agencies is shown in Table No. C-6.

d. Federal Facilities and Services Having Joint Use: Units of local government benefit from the free use of certain facilities managed by BLM. They include a kiln guzzler, a radio building and a recreational site. The annual value of the free use of these facilities, based on their capital cost plus annual operating costs, is estimated at $7,692. The county does not reimburse the Federal agency for this benefit and it can be considered as an additional direct benefit.

e. Resource Expenditures - Management: Within the framework of the Federal agencies' routine land management functions, considerable sums are spent annually for administrative and operating as well as capital items. Compared to the quantity of lands these expenditures in Clark County are of small magnitude. They have averaged $238,000 per year of which 86% was for administrative and operating expenses. These resource program expenditures do not appear to have affected the economic activity upon the respective lands. Tables C-7 and C-7a contain the detailed figures for the 10-year period.

Based on the survey of management functions performed by the various Federal agencies, it is evident that a large part of the non-capital expenditures were incurred for improvements of various types. However, these appear unrelated for the most part to a plan specifying any long-run economic objectives but appear primarily related to routine management and to the preservation of wildlife and recreational values.

IV. Burdens to Local Government

a. Direct Burdens: The existence of public lands cause several kinds of direct financial burdens upon local government, specifically county and municipal governments. Discussions with local government officials and review of their records indicate the following annual burdens:

Maintenance of county roads	$200,000
Law Enforcement	275,000
Fire Protection	30,000
Road Construction	50,000
Road Flood Control	100,000
Total Direct Burden	$655,000

While local officials agreed that most, if not all, of these expenditures would also be incurred if the lands were in private ownership, it is claimed that such property owners would be assessed for the major share of these expenditures and thereby the direct burden would be substantially reduced. Realizing that the types of lands for which these expenditures are being incurred are of a relatively unproductive nature, it seems unlikely that substantial reimbursement would accrue from private ownership.

b. Indirect Burden: The Federal land's immunity to taxation by local government represents the loss of an important revenue source. Approximately 40,000 acres out of the total of over 2.9 million acres can presently be identified as relatively high value land, the transfer area in the Las Vegas Valley. Estimates for assessed value and property tax revenue results in potentials of over $75.9 million and $2.9 million respectively. The details of these estimates are shown in Table No. C-8. They result in an estimated average tax of 99¢/acre.

c. Loss in Revenue as a Result of Sharing Net Versus Gross. The Forest Service calculates the revenues available for sharing after deduction of certain specified costs. Table C-9 lists the detailed data for gross receipts, specified costs, net receipts, net payments to local government (shared revenue) and the amount "lost" as a result of sharing net versus gross. Since the total FS program is of very small magnitude, the "losses" are likewise very insignificant with the highest figure being $638 in 1957 and only $64 in 1966.

d. Public Laws 815 and 874: Clark County qualifies for Federal aid under Public Laws 815 and 874 and obtained significant payments under both. Table No. C-10 contains the figures for the 10-year period.

V. Impact of Present System

a. County Finance: The impact of the present PILT and RS system, including other direct and indirect benefits, can be measured to some extent by a comparative analysis of the net financial benefits and losses. The net benefit is composed of the following items (1966 figures):

PILT and RS Total (C-4)	$ 1,947
Sliding Scale Payments (C-5)	1,239,210
Free Goods and Services (C-6)	5,954
Value of Joint Use Facilities (III.d)	7,692
Total Direct Benefits	$1,254,803

From these must be deducted the financial burdens resulting from the existence of county lands:

Direct Burden (IV.a)	$655,000
Resulting Net Benefits	$599,803 = 20¢/acre

The total direct benefit is raised to $1,554,803, and the resulting net direct benefit to the county is increased to $899,803 or 30¢/acre when the $300,000 annual payment to the state is added. When these figures are compared with the potential property tax revenue realizable from private ownership a large disparity results. As stated (Table No. C-8), an estimate of 99¢/acre was computed. In fact, the only significant contribution to county finance originates outside the PILT and RS system in the form of the BPR sliding scale payments. Economic activity upon the public lands is marginal and the resulting RS and PILT payments in relation to total county revenue and expenditure are insignificant.

Consequently, local government officials appear to disregard all but the BPR payments in their fiscal planning though they are aware of the financial burdens created by the existence of the large Federal land holdings and the lack of what, in their views, is an equitable reimbursement.

b. The Overview: With 60% of the county's land in Federal ownership and the county experiencing one of the fastest population growth rates in the country, there is particular concern about the manner and timing of the transfer of Federal lands to county, city and private ownership. Present population growth projections indicate that one million people may live in the Las Vegas Valley by 1975. Most of that population increase will have to be accommodated on Federal land if it is to be realized. It is thus indicated that the Federal land management program and practices, if they are to accommodate the apparent needs, must be specifically related to the county's overall development. As stated, the PILT and RS programs presently are of very small import to the county and its units of government. The significant and troublesome aspects presently relate to (1) the unreimbursed financial burden, and (2) the problems resulting from land management, including sale and transfer of Federal land which appear not to be coordinated with the comprehensive development plans for the county (a subject beyond the scope of this study). A specific example of the second problem topic is the sale under the Small Tract Act of parcels in outlying areas to which the county could not afford to provide utilities. It resulted in the land remaining unpopulated and being held, for the most part, by land speculators. This result was recognized by BLM, and, consequently, since 1962 BLM has discontinued sales under the Small Tract Act. The county may now purchase land under the Public Sales Act of

1964 and the Recreation and Public Purposes Act (R&PP). County officials expressed the view that neither of these are ideally suited for their requirements. They contend that under the Public Sales Act, BLM has been appraising the land at excessive rates while under the R&PP Act, until recently, the definitions of "public purpose" were so restrictive that such facilities as fire houses and libraries could not be constructed on these lands unless they were also integrated with park and other recreational facilities.

In summary, it is evident that in Clark County the present system for PILT and RS does not provide adequate compensation for the burdens that the large Federal land holdings have created and that a much improved method for coordinated management practices by the administering Federal agencies are needed.

CLARK, NEVADA

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS

(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
BLM	Grazing	0	0
Forest Service	Residence)		
	Recreational)	$568,997	$27,411
	Telephone & Telegraph)		
	Total	$568,997	$27,411

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966

(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
School	$ 88,925,000	$ 76,687,000
Road	9,660,000	9,316,000
Water & Sewage	39,962,000	34,229,000
Hospital	1,700,000	1,259,000
Other	34,313,500	24,679,500
Total	$174,560,500	$146,170,500

Source: Clark County Audit Reports.

C-29-10

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Clark

STATE Nevada

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 7,100,000	$ 900,000	$ 8,000,000	$ 13,512,682	$ 21,512,682
1958	7,616,980	942,946	8,559,926	22,984,762	31,544,688
1959	8,223,320	1,002,376	9,225,696	22,368,218	31,593,914
1960	8,845,108	1,220,270	10,065,378	31,119,261	41,184,639
1961	9,659,468	653,652	10,313,120	29,339,034	39,652,154
1962	11,064,853	707,084	11,771,937	38,421,940	50,193,877
1963	12,689,303	894,871	13,539,174	41,951,530	55,490,704
1964	15,232,428	1,079,357	16,311,785	54,816,308	71,128,093
1965	22,298,004	1,226,793	23,524,797	76,242,375	99,767,172
1966	25,194,560	1,338,651	26,533,211	58,609,713	85,142,924
% incr./decr. '66 vs. 1st yr.	254.9	48.7	231.6	333.7	295.8

Source: Clark County Audit Reports.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY Clark

STATE Nevada

YEAR	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
	Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	10,885	0	2,677	13,562	6.15	125.46	3.63	74.01	9.78	199.47
1958	11,783	0	3,960	15,743	6.34	125.24	3.45	68.10	9.79	193.34
1959	13,478	0	3,896	17,374	5.98	132.83	3.18	70.53	9.16	203.36
1960	14,771	0	5,095	19,866	6.20	149.93	3.14	75.97	9.34	225.90
1961	15,205	0	5,861	21,066	6.27	150.47	3.07	73.67	9.34	224.14
1962	20,182	0	6,394	26,576	6.61	169.81	2.93	75.22	9.54	245.03
1963	26,687	0	6,733	33,420	6.90	205.66	2.79	83.32	9.69	288.98
1964	29,934	0	8,152	38,086	5.97	178.47	2.56	76.44	8.53	254.91
1965	28,774	0	9,512	38,286	5.45	166.97	3.35	102.59	8.80	269.56
1966	33,594	0	9,980	43,574	5.98	178.07	3.64	108.43	9.62	286.50

1/ Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col (7).
Col (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Clark

STATE Nevada

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$ 7,039,208	$ 975,941	$ 11,211,082	$ 19,226,231	$ 178
1958	8,248,159	1,011,705	17,708,131	26,967,995	214
1959	8,243,885	1,095,691	20,318,309	29,657,885	227
1960	10,104,359	1,202,417	25,233,791	36,540,567	276
1961	11,285,840	1,008,255	21,955,047	34,249,142	245
1962	13,891,286	1,503,299	25,628,265	41,022,850	262
1963	16,537,567	1,809,317	30,937,868	49,284,752	303
1964	22,549,729	2,111,554	41,023,197	65,684,480	308
1965	26,475,010	3,611,983	54,547,947	84,634,940	369
1966	26,655,352	3,397,228	56,968,903	87,021,483	356
% incr./decr.'66 vs. first year	278.6	248.1	408.1	352.6	100.0
% incr./decr.'66 vs. first year per capita	67.3	52.8	124.5	100.0	

Source: Clark County Audit Reports.
Col.(5): Col. (4) divided by population estimates, Sales Management.

County Clark

State Nevada

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial Industrial	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal2/	(7) Other2/	(8) Total Assessed Value
1957 Assessed Value Aver Tax Rate 44 mills	$ 134,577,621	$ 28,660,268	$14,881,957	$ 3,470,941	$ 229,093			$181,819,881
Item % of Total	74.0	15.8	8.2	1.9	0.1			100.0
1958 Assessed Value Aver. Tax Rate 43 mills	141,145,367	34,499,048	20,831,310	3,127,194	217,804			199,820,723
1959 Assessed Value Aver. Tax Rate 44 mills	147,740,083	36,543,819	24,142,032	3,237,737	368,936			212,032,607
1960 Assessed Value Aver. Tax Rate 45 mills	151,403,063	41,472,858	28,607,560	3,259,659	371,440			225,114,580
1961 Assessed Value Aver. Tax Rate 42 mills	167,660,013	41,901,447	33,068,155	3,423,393	411,595			246,464,603
1962 Assessed Value Aver. Tax Rate 44 mills	184,862,789	46,515,750	33,512,069	3,248,906	365,166			268,504,680
1963 Assessed Value Aver. Tax Rate 45 mills	211,294,754	48,465,528	40,472,530	3,291,413	392,051			303,916,276
1964 Assessed Value Aver. Tax Rate 46 mills	258,044,134	54,766,101	43,471,089	3,261,141	406,742			359,949,207
1965 Assessed Value Aver. Tax Rate 41 mills	435,544,939	89,818,870	46,896,068	3,138,305	437,635			575,835,817
1966 Assessed Value1/ Aver. Tax Rate 43 mills	448,641,562	115,450,552	55,026,375	3,313,563	1,591,259			624,023,311
Item % of Total	71.9	18.5	8.7	0.5	2.4			100.0
Increase/Decrease 66 vs. '57	233.4	302.8	269.8	(1.0)	594.6			243.2

1/Assessed value represents 35 percent of actual market value in 1966.

2/Included in other items.

Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

C29-13

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = NEVADA COUNTY = CLARK										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	159	302	516	594	275	298	238	351	291	282
PERCENT BASE YEAR	100.0	189.9	324.5	373.6	173.0	187.4	149.7	220.8	183.0	177.4
PROGRAM ACREAGE	56666	56666	56666	56666	56666	56666	56666	56666	56666	56666
REVENUE $ PER ACRE	0.00	0.01	0.01	0.01	0.00	0.01	0.00	0.01	0.01	0.00
MIGRATORY BIRD ACT										
FEDERAL PAYMENTS ($)	0	0	0	41	115	1198	141	109	108	290
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	280.5	2922.0	343.9	265.9	263.4	707.3
PROGRAM ACREAGE	0	0	0	1428359	1428359	1428359	1428355	1428355	1428355	323
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.90
TAYLOR GRAZE SECT 3										
FEDERAL PAYMENTS ($)	NA	NA	NA	1128	1177	1045	898	1210	962	1373
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	104.3	92.6	79.6	107.3	85.3	121.7
PROGRAM ACREAGE	NA	NA	NA	2538443	2535442	2535442	2534169	2532348	2532348	2565543
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ALL PROGRAMS *										
FEDERAL PAYMENTS ($)	159	302	516	1763	1567	2541	1277	1670	1361	1945
PERCENT BASE YEAR	100.0	189.9	324.5	1108.8	985.5	1598.1	803.1	1050.3	856.0	1223.3
PROGRAM ACREAGE	56666	56666	56666	4023468	4020467	4020467	4019190	4017369	4017369	2622532
REVENUE $ PER ACRE	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00

NA = data not available. This county does not have any Nonsection 10 land programs.

* Excludes 355,855 acres for Boulder Canyon Project on which there were no direct payments to the county.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

029-14

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID, BPR SLIDING SCALE PROGRAM, TO COUNTY

COUNTY Clark

STATE Nevada

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ 5,344,511	$ 474,290
1958	7,506,474	574,434
1959	255,654	87,357
1960	1,397,005	395,758
1961	15,648,100	919,674
1962	5,907,563	372,803
1963	7,401,493	2,319,774
1964	8,164,447	741,365
1965	2,961,260	1,307,110
1966	8,403,657	1,239,210

Source. U.S. Bureau of Public Roads, allocation by EBSMC.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Clark

STATE: Nevada

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Land	$ 99
	Storage Plant	25
BLM	Construction Material	1,000
	Land	1,330
BSF&W	Land	2,500
B of R	Land	1,000
	Total	$ 5,954

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County Clark

State Nevada

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 113,855	$ 24,463	$ 138,318
1958	103,921	26,434	130,355
1959	127,082	27,609	154,691
1960	141,675	21,520	163,195
1961	150,850	21,430	172,280
1962	197,806	18,163	215,969
1963	233,646	42,626	276,272
1964	277,745	28,994	306,739
1965	404,276	42,497	446,773
1966	317,907	58,407	374,314
Average Year	203,876	31,214	237,890
Item % of Total, Average Year	85.7	14.3	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency U.S. Forest Service

Program Toiyabe National Forest

County Clark

State Nevada

TABLE NO. C-7a

Page 1 of 3

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 6,124	$ 0	$ 1,531	$ 3,062	$ 918	$ 306	$ 18,371	$ 306	$ 0	$ 30,618
1958	6,271	0	1,568	3,136	941	313	18,813	313	0	31,355
1959	5,138	0	1,285	2,569	771	256	15,415	257	0	25,691
1960	7,639	0	1,910	3,819	1,146	382	22,917	382	0	38,195
1961	6,556	0	1,639	3,278	983	328	19,668	328	0	32,780
1962	9,454	0	2,363	4,727	1,418	473	28,361	473	0	47,269
1963	7,254	0	1,814	3,627	1,088	363	21,763	363	0	36,272
1964	12,877	0	3,222	6,444	1,933	645	38,663	645	0	64,439
1965	9,155	0	2,289	4,577	1,372	458	27,464	458	0	45,773
1966	10,903	0	2,726	5,451	1,636	545	32,708	545	0	54,514

Source: Federal Agencies' Field Offices.

C29-18

Federal Agency Interior - BLM

Program All

County Clark

State Nevada

TABLE NO. C-7a

Page 2 of 3

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife 1/	Other	Total Resource Expenditure
1957	$ 0	$ 28,294	$ 3,094	$ 0	$ 0	$ 0	$ 0	$	$ 40,612	$ 72,000
1958	3,050	15,250	3,420	0	0	0	0		39,280	61,000
1959	6,301	38,972	5,135	0	0	0	0		39,592	90,000
1960	6,381	50,238	5,714	0	0	0	0		21,667	84,000
1961	6,789	46,761	6,789	0	0	0	0		36,661	97,000
1962	13,749	72,754	6,874	0	0	0	0		31,623	125,000
1963	24,198	26,650	5,476	574	0	0	0		132,102	189,000
1964	50,050	97,698	11,227	1,285	0	0	0		23,740	184,000
1965	54,371	146,391	15,039	5,469	0	0	54,371		66,359	342,000
1966	28,741	93,491	9,841	2,347	0	0	40,930		83,650	259,000

1/ Included in "Other"

Source: Federal Agencies' Field Offices.

C29-19

Federal Agency Bureau of Sport Fisheries and Wildlife

Program Migratory Bird Refuge

County Clark

State Nevada

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 100	$ 0	$ 0	$ 1,000	$ 0	$ 100	$ 11,500	$ 21,000	$ 0	$ 33,700
1958	300	0	0	2,000	0	100	13,000	20,600	0	36,000
1959	400	0	0	2,000	0	100	12,000	22,500	0	37,000
1960	1,000	0	0	1,000	0	100	13,400	23,500	0	39,000
1961	1,000	0	0	1,000	0	100	14,400	24,000	0	40,500
1962	4,000	0	0	4,000	0	500	13,000	20,200	0	41,700
1963	200	0	0	1,500	0	100	14,200	33,000	0	49,000
1964	200	0	0	2,000	0	100	14,000	40,000	0	56,300
1965	500	0	0	2,000	0	100	14,000	40,400	0	57,000
1966	200	0	0	1,500	0	100	8,300	50,700	0	60,800

Source: Federal Agencies' Field Offices.

C 29-21

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Clark

STATE Nevada

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
BLM						
Grazing - Class I	$ 24.00	1,500,000	$ 36,000,000	38.7	$ 1,393,200	92c
Class II	12.00	501,000	6,012,000	38.7	232,664	46
Class IV	5.00	324,543	1,622,715	38.7	62,799	19
Potential Agriculture	50.00	200,000	10,000,000	38.7	387,000	194
Transfer Area - Las Vegas Valley	500.00	40,000	20,000,000	38.7	774,000	1935
BSF&W						
Grazing - Class III	8.00	323	2,584	38.7	100	31
B of R						
Grazing - Class IV	5.00	355,855	1,779,275	38.7	68,858	19
Forest Service						
Timberland	10.00	56,666	566,660	38.7	21,930	39
Totals	$ 25.51	2,978,387	$ 75,983,234	38.7	$ 2,940,551	99c

1/ Composite produced from estimates for each land class or type.

2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

Federal Agency US Forest Service
Revenue Sharing Program Toiyabe National Forest (25%)[a/]
County Clark
State Nevada

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 × a/)
1957	$ 3,190	$ 2,554	$ 636	$ 159	$ 638
1958	1,211	-1[1/]	1,212	303	0[1/]
1959	2,112	44	2,068	517	11
1960	2,443	67	2,376	594	17
1961	1,319	215	1,104	276	54
1962	1,382	186	1,196	299	47
1963	1,233	325	952	238	70
1964	1,501	93	1,408	352	23
1965	1,298	130	1,168	292	32
1966	1,389	257	1,132	283	64

[1/] Credit due to adjustment.

Source: Federal Agencies' Field Offices.

County Clark

State Nevada

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

		P.L. 815		P.L. 874	
Years	Local School Budget	Aid Provided	% of Total Budget	Aid Provided	% of Total Budget
1957	$ 7,039,208	$ 2,506,212	35.6	$ 368,746	5.2
1958	8,248,159	2,762,062	33.5	403,394	4.8
1959	8,243,885	3,121,879	37.9	575,434	7.0
1960	10,104,359	3,121,879	30.9	598,331	5.9
1961	11,285,840	3,446,995	30.5	727,803	6.4
1962	13,891,286	1,573,650	11.3	827,881	5.9
1963	16,537,567	84,240	5.1	871,349	5.3
1964	22,549,729	0	0	1,103,376	4.8
1965	26,475,010	983,125	3.7	1,332,102	5.0
1966	26,655,352	1,219,155	4.5	1,740,445	6.5

Sources: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

CASE COUNTY DIGEST
ELKO, NEVADA

I. *The County*

a. *General Description*: Elko is a large county located in the northeastern corner of the state, bordering on Utah and Idaho. It has one of the smallest population densities of all counties in the United States. The city of Elko is the county seat and the county contains three municipalities, one unified school district and nine special districts. The functions of the special districts are in the areas of financial control fire protection, and recreation. The governmental functions of the county and the municipalities in the areas of financial control, welfare, public health, law enforcement, and sanitation are overlapping; however, tax assessments are made by the county only. Likewise, only the county provides services related to resource development, agriculture and mining. Services provided by the municipalities include public utility operation and public safety while additional municipal functions which overlap with those of the special districts include financial control and fire protection.

b. *Vital Statistics*: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	12,011	1966	2	14,200	18.2
Urban1/	1960	1	6,294	1966	2	7,900	25.5
Rural	1960	1	5,717	1966	2	6,300	10.2
Employment	1959	3	1,981	1966	3	2,547	28.6
Effective Buying Income ($000)	1960	2	30,667	1966	2	35,414	15.5
Per Capita EBI ($)	1960	2	2,534	1966	2	2,494	-1.6
Public School Enrollment (K-12)	1960	1	3,104	1965	4	3,800	22.4

1/ Includes areas of 2,500 people or more.

Sources:
1. U. S. Bureau of the Census, *Census of Population*, 1960.
2. Sales Management Magazine, *Survey of Buying Power*, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, *Education Directory*, Part 2, 1967.

The above figures show a population increase of 18% during the years 1960-1966. From 1959 to 1960 the population declined by about 1,700 persons, remained stable for four years and in 1964 began to increase again. From 1965 to 1966 the population increased by 1,200 persons which accounts for the largest share of the population increase during the last six years. The increase in urban population is far greater than that of the rural sector. The increase in employment exceeded that for the population and total effective buying income for the county lagged behind the increase in population and employment; per capita income also declined during the period. The increase in public school enrollment (K-12) slightly outpaced that of the population as a whole.

c. The Land: Elko has a land area of almost 11 million acres with almost 73% in Federal ownership. The Federal agencies responsible for land management in the county report 7.9 million acres under their jurisdiction as follows:

National Forests - Humboldt	1,024,063 acres
Grazing Districts, TG-3	6,819,889 acres
Wildlife Refuges	10,628 acres
Total	7,854,580 acres

According to the county statistics there are also 266,195 acres or 2% of the total county acreage in other Federal ownerships to which no PILT or RS provisions apply (military reservations, etc.).

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the period 1957-1966. During this period total receipts increased by 75%, the bulk of which is accounted for by non-property tax items. Collections from property taxes increased by almost $385,000 during the 10-year period, or 26%. Collections from other taxes and revenues increased by more than $2.1 million, or 115%.

As shown in Table No. C-1a, per capita collection of state taxes increased from $154 to $224 while per capita collection of local property taxes increased from $115 to $133. Combined state and local taxes increased as a percent of EBI by 19% and per capita by 33%.

Included in "Other Taxes and Revenues", column 4 of Table No. C-1, are the receipts from the various revenue sharing programs. These accounted for less than one percent of total county revenue.

Bonded Indebtedness increased approximately $1.8 million during 1956-1966. More than this net increase was floated during the period for schools alone, thus a reduction in the net outstanding debt of all other items occurred during the period. The summary appended at the end of the case study report reflects 1966 figures and categories of the county's bonded indebtedness.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the 10-year period. The increase in total expenditures of 69% or $2.3 million is accounted for by increases of $925,000 (80%) for education, $133,000 (33%) for highways and $1,226,000 (70%) for other expenditures. While total expenditures reflect a per capita increase of 56%, expenditures for education per capita increased 67% as compared with the increase in per capita expenditures for highways of 23%.

c. Property Taxes: Table No. C-3 contains detailed data for the assessed value of property subject to taxes for the 1957-1966 period. It shows an increase in total assessed value of 33% or $12.8 million. The assessment of residential properties accounts for almost $9 million of the total increase and changed their share of the total from 20% in 1957 to 33% in 1966. Conversely, commercial and industrial properties declined by about $5.5 million and their share of the total decreased from 47% in 1957 to 24% in 1966. Other large increases were in assessed value of public utilities and rural properties.

Included in the tax base are the assessed values of leasehold improvements on Federal lands. These, however, account for only $123,500 of assessed value, yielding $4,500 in tax revenue. The summary at the end of the case study report contains appropriate details.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: Table No. C-4 contains data on acreages and payments by the three Federal agencies for the years during the 1957-1966 period for which they were available. Total payments moderately increased during the 10-year period although there were also years of fairly large decline. In 1961, for example, the total of $21,700 was only about 75% of the payments in the previous year. In 1966 a new high was attained. Its total of $34,002 is an extremely small amount when compared with the almost 7.9 million acres to which it applies. The reasons for these relatively small payments lie in the types of land utilization, viz. grazing and wildlife refuges and the poor quality of timber in this part of the country, resulting in small scale logging activities. It is understood that logging began only in 1963 while in the previous years the Forest Reserve Fund revenues were derived mostly from grazing fees.

b. Indirect Benefits: The State of Nevada is eligible for the BPR Sliding Scale Highway Aid Program and Elko County benefited from allocations to the ABC and Interstate Highway programs. Table No. C-5 reflects total Federal highway aid to the county and the amounts attributable to the presence of public lands during the 10-year period 1957-1966. During these 10 years wide fluctuations occurred reflecting both variation in Federal budget and road construction activities in the county. The 1966 payment of $8,498 (the portion attributable to the presence of public lands) was insignificant compared with payments in the two preceding years and 1962 payments of over $1 million.

c. Value of Free Goods and Services: The county has obtained the use, free of charge, of several tracts of land for a variety of public purposes including a water transmission line, refuse and storage yard, a cemetery site and rights-of-way. Based on estimates of the various supplying Federal agencies of the value of these tracts of land and, additionally, construction materials furnished free of charge, it was calculated that their annual benefit to the county amounts to approximately $13,600. The annualized value of the free goods provided by supplying agencies is shown in Table No. C-6.

d. Federal Facilities and Services Having Joint Use: The county benefited from the free use of Federally constructed and maintained roads and camp grounds. Based on construction costs annual operating costs and percentage utilization by the county, it was estimated that the free use of these facilities represents an annual indirect benefit amounting to $13,578 as follows:

Forest Service roads	$ 6,379
Forest Service camp grounds	7,199
Total	$13,578

Facilities of the Bureau of Land Management (BLM) and the Bureau of Sport Fisheries and Wildlife (BSFGW) are not used by the county.

e. Resource Expenditures - Management: All three of the Federal agencies made resource expenditures during each of the study years. These expenditures rose steadily until 1965 when they totaled $1.6 million for all agencies. In 1966 they declined to $1.3 million. The average per year was $772,600 with 77% of these expenditures allocated to administrative and operating expenses. Table No. C-7 contains a summary of resource expenditures for all agencies for the 10-year period and Tables No. C-7a1, 2 and 3 contain the detailed expenditures by agency and expenditure category.

The survey of management functions conducted by the various Federal agencies reveals that the Forest Service is engaged in a watershed development and protection survey (Humboldt River Basin Survey and technical assistance for PL 566 projects), while its activities did not include those which might relate to timber stand improvement. Conversely, the BLM reported it was engaged in timber stand improvement and forest insect and disease control.

IV. Burdens to Local Government

a. Direct Burdens: Due to the checkerboard profile of the Federal land ownership in the county, county officials contend that 60% of the highway maintenance conducted is attributable to the presence of public lands. Thus, county officials estimate that a direct annual burden of $300,000 results from this excessive highway maintenance requirement. In addition, these officials claim that one special fire district with expenditures of about $16,500 per year is maintained exclusively because of the presence of public land. Thus, according to the estimate of county officials, county finances are directly affected by burdens resulting from the presence of public lands with a total annual cost of $316,500.

b. Indirect Burden: The public lands subject to RS provisions in Elko County are all calssified as grazing. The only exception is an estimated 2,000 acres which have rural-urban development potential. Thus, the total land value for tax purposes, if the lands were in private ownership, is relatively small. Table No. C-8 contains an estimate of the assessed values and the potentially resulting tax revenues. Totals of $15.4 million and $550,000, respectively, are shown. The latter equals a potential tax revenue of 7¢/acre.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: Since 1963 the Forest Service has been collecting K-V funds which have slightly reduced the net revenues available for revenue sharing. Appropriate data are contained in Table No. C-9.

d. Public Laws 815 and 874: Elko County qualified for payments under PL 815 and PL 874 during the 10-year period. Table No. C-10 contains the appropriate figures.

V. Impact of Present System:

a. County Finance: With the relatively small payments to the county from the existing RS programs on the one hand and the large burden resulting from the presence of public lands on the other, a distinctly adverse impact results from the present system. It can be summarized as follows (1966 figures):

Revenue Sharing (C-4)	$34,002
Sliding Scale Payments (C-5)	8,498
Free Goods and Services (C-6)	13,632
Value of Joint Use Facilities (III.d.)	13,578
Total Direct Benefits	$69,710

From these must be deducted the financial burdens resulting from the existence of public lands:

Direct Burden (IV.a.)	$316,500
Resulting net loss	$246,790 = 3c/acre

However, when in the above figures the annual average sliding scale payments for the last 10 years are substituted for 1966, the net result of public lands is positive. The sliding scale benefits averaged $469,463 per year which when added to the revenue sharing and other direct benefits for 1966 result in a total of $530,675. Deducting from this the direct burden, a net figure of $214,175 or 3c/acre results.

Comparing this more realistic figure, given the continuation of the sliding scale program at the 10-year average rate, with the potential tax revenue if the lands were in private ownership, an estimated tax revenue of 7c/acre, taxes would yield 257% of the computed average net benefit under the present system.

b. The Overview: Of all the problems in Elko County relating to the existence of the very large quantity of Federal land, the "shotgun" pattern of ownership was singled out as the most serious. According to county officials it is restricting the county's economic development and is responsible for the large burden in road maintenance costs.

It is also contended that the considerable funds expended by the Federal agencies for resource development are not geared to producing an economic benefit to the county, either in terms of increased RS payments or the overall development of the county's economy. Since the primary economic activity is cattle raising, county government is heavily influenced by that economic group. The county commissioners (who are also cattle ranchers) feel that if more land were "turned over" to the private sector it would develop more rapidly. Substantially smaller expenditures for land development would provide greater yield for the land users and for county finances. According to these officials the population as a whole has a completely apathetic attitude towards the Federal land management programs and the once existing dialogue between representatives of the citizens and the Federal government has largely ceased.

ELKO, NEVADA

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service)) BLM)	Commercial	$123,480	$4,507
Bureau of Sport Fisheries and Wildlife	None	0	0
	Total	$123,480	$4,507

1/ Estimabed based on tax revenue and 1966 county average mill rate from Table No. C-3.

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Schools	$3,138,000	$2,224,000
Hospital	600,000	347,000
Water & Sewage	425,000	140,000
Roads	55,000	20,000
Grandstand	150,000	135,000
Total	$4,368,000	$2,866,000

Source: Elko County Audit Reports.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Elko

STATE Nevada

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 1,407,781	$ 93,034	$ 1,500,815	$ 1,864,075	$ 3,364,890
1958	1,423,739	108,269	1,532,008	1,894,341	3,426,349
1959	1,406,517	111,245	1,517,762	2,128,780	3,646,542
1960	1,511,764	125,842	1,637,606	2,394,865	4,032,471
1961	1,584,997	109,850	1,694,847	2,676,184	4,371,031
1962	1,622,959	172,352	1,795,311	2,973,354	4,768,665
1963	1,634,238	194,113	1,828,351	3,128,417	4,956,768
1964	1,486,518	91,043	1,577,561	3,487,680	5,065,241
1965	1,644,491	96,947	1,741,438	3,824,036	5,565,474
1966	1,789,300	96,395	1,885,695	4,009,465	5,895,160
% incr./decr. '66 vs. 1st yr.	27.1	3.6	25.6	115.1	75.2

Source: Elko County Audit Reports.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY Elko

STATE Nevada

YEAR	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
	Sales & Gross Receipts (1)	Individual Income (2)	Other1/ (3)	Total1/ (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	1,567	0	446	2,013	6.92	153.66	5.16	114.57	12.08	268.23
1958	1,760	0	419	2,179	7.65	163.83	5.38	115.19	13.03	279.02
1959	1,361	0	411	1,772	5.44	128.41	4.66	109.98	10.10	238.39
1960	1,433	0	465	1,898	6.19	156.86	5.34	135.34	11.53	292.20
1961	1,433	0	507	1,940	7.50	160.33	6.55	140.07	14.05	300.40
1962	1,656	0	494	2,150	7.70	177.69	6.43	148.72	14.13	326.41
1963	1,897	0	501	2,398	7.37	198.18	5.62	151.10	12.99	349.28
1964	2,241	0	481	2,722	7.95	216.03	4.61	125.20	12.56	341.23
1965	2,381	0	535	6,916	8.10	226.05	4.84	135.00	12.94	361.05
1966	2,612	0	579	3,191	9.01	224.72	5.32	132.80	14.33	357.52

1/ Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col (7).
Col (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Elko

STATE Nevada

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$ 1,155,658	$ 399,874	$ 1,746,739	$ 3,302,271	$ 252
1958	1,101,105	416,786	1,795,001	3,312,892	249
1959	1,244,946	404,470	2,420,945	4,070,361	295
1960	1,345,274	410,026	2,035,966	3,791,266	313
1961	1,387,555	438,044	2,575,723	4,401,322	364
1962	1,555,348	455,447	3,415,733	5,426,528	448
1963	1,714,805	502,929	3,364,447	5,582,181	457
1964	1,810,907	491,789	2,722,447	5,025,143	399
1965	1,988,756	513,972	2,976,956	5,479,684	425
1966	2,081,218	532,972	2,973,285	5,587,475	393
% incr./decr.'66 vs. first year	80.1	33.3	70.2	69.2	56.0
% incr./decr.'66 vs. first year per capita	67.0	22.6	57.1	56.0	

Source: Elko County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

County **Elko**

State **Nevada**

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial, Industrial	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal 2/	(7) Other	(8) Total Assessed Value
1957 Assessed Value	$ 7,996,780	$ 18,143,722	$ 3,821,391	$ 8,350,276	$ 408,176		$500	$ 38,719,043
Aver. Tax Rate 38.8 mills								
Item % of Total	20.0	46.9	9.9	21.6	1.1		3/	100.0
1958 Assessed Value	8,282,060	17,415,318	3,706,630	8,719,831	431,313		0	38,575,152
Aver. Tax Rate 39.7 mills								
1959 Assessed Value	8,913,512	17,320,167	3,866,166	9,443,432	395,617		0	39,936,834
Aver. Tax Rate 38.0 mills								
1960 Assessed Value	9,376,060	16,964,519	4,331,916	9,439,025	437,685		0	40,548,603
Aver. Tax Rate 40.4 mills								
1961 Assessed Value	9,649,223	16,503,292	4,636,166	9,760,517	449,999		0	41,079,175
Aver. Tax Rate 41.3 mills								
1962 Assessed Value	10,269,779	15,832,729	5,211,660	10,297,178	482,271		0	42,093,617
Aver. Tax Rate 42.7 mills								
1963 Assessed Value	10,329,755	15,764,916	5,336,352	13,440,808	438,083		0	45,309,012
Aver. Tax Rate 40.2 mills								
1964 Assessed Value	15,441,869	14,601,133	5,073,626	15,990,713	379,663		0	51,366,364
Aver. Tax Rate 30.6 mills								
1965 Assessed Value	16,099,326	13,976,938	7,936,136	18,213,660	420,021		0	56,642,681
Aver. Tax Rate 31.9 mills								
1966 Assessed Value 1/	16,971,006	12,640,365	6,443,090	15,106,513	410,086		0	51,572,710
Aver. Tax Rate 36.5 mills								
Item % of Total	32.9	24.5	12.5	29.3	0.8		0	100.0
Increase/Decrease 66 vs. '57	112.3	(30.3)	68.7	80.9	0.5		0	33.2

1/ Assessed value represents 33.6 percent of actual market value in 1966.
2/ Included in other items. 3/ Less than 0.05%.
Source: State and/or Local Government Financial Reports, estimates and allocations by ERDRC.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-6
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 15 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = NEVADA										
COUNTY = ELKO										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	16096	14074	13083	12687	11476	10799	11526	10651	10273	11801
PERCENT BASE YEAR	100.0	87.4	81.2	78.8	71.2	67.0	71.6	66.1	63.8	73.3
PROGRAM ACREAGE	1022726	1022726	1022726	1022725	1022725	1022725	1022736	1022742	1024076	1024063
REVENUE $ PER ACRE	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
MIGRATORY BIRD ACT										
FEDERAL PAYMENTS ($)	1290	1115	1392	1603	1466	1503	1766	1756	2005	4420
PERCENT BASE YEAR	100.0	86.4	107.9	124.2	113.6	116.5	136.9	136.1	155.4	342.6
PROGRAM ACREAGE	26693	26693	26775	26775	26775	26775	26775	26775	26775	10627
REVENUE $ PER ACRE	0.04	0.04	0.05	0.05	0.05	0.05	0.06	0.06	0.07	0.41
TAYLOR GRAZE SECT 3										
FEDERAL PAYMENTS ($)	NA	NA	NA	13960	8761	11249	15839	17261	15971	17701
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	62.7	80.5	113.4	123.6	114.4	126.7
PROGRAM ACREAGE	NA	NA	NA	7216061	7216061	6329322	6399832	6391630	6389213	6019889
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	17386	15189	14475	28250	21703	23551	29131	29668	28249	33922
PERCENT BASE YEAR	100.0	87.3	83.2	162.4	124.8	135.4	167.5	170.6	162.4	195.1
PROGRAM ACREAGE	1049419	1049419	1049501	8265561	8265561	7378822	7449343	7441147	7440064	7054579
REVENUE $ PER ACRE	0.01	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00

NA = data not available. This county does not have any Nonsection 15 land program.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $3.368 is shown as $3.36. Revenues per acre for all programs combined are affected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID. BPR SLIDING SCALE PROGRAM, TO COUNTY

COUNTY Elko

STATE Nevada

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ 458,898	$ 184,896
1958	1,699,481	640,775
1959	719,998	241,429
1960	607,494	243,027
1961	2,160,106	772,487
1962	6,342,266	1,038,604
1963	3,363,498	212,772
1964	1,879,947	659,852
1965	5,730,175	692,292
1966	19,160	8,498

Source. U.S. Bureau of Public Roads, allocation by EBSMC.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Elko

STATE: Nevada

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Land	$ 85
BLM	Land	10,806
	Construction Material	1,566
BSF&W	Land	1,175
	Total	$ 13,632

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County Elko

State Nevada

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 259,086	$ 81,787	$ 340,873
1958	291,568	88,947	380,515
1959	373,173	105,996	479,169
1960	338,522	131,680	470,202
1961	402,408	166,005	568,413
1962	538,492	150,750	689,242
1963	708,357	229,351	937,708
1964	699,799	262,426	962,225
1965	1,334,883	290,038	1,624,921
1966	977,473	295,403	1,272,876
Average Year	592,376	180,238	772,614
Item % of Total, Average Year	76.7%	23.3%	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Humboldt National Forest

County Elko

State Nevada

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 7,264	$ 28,857	$ 262	$ 49,466	$ 0	$ 0	$ 5,778	$ 560	$ 22,650	$ 114,837
1958	27,126	40,050	4,569	49,958	0	0	23,000	1,536	42,471	188,710
1959	6,397	39,995	161	44,155	0	0	26,607	1,504	103,190	222,009
1960	9,471	56,358	78	56,130	0	11,642	28,368	2,559	63,196	227,802
1961	22,941	41,381	795	118,144	0	0	27,850	6,154	76,778	294,043
1962	27,126	49,360	1,339	114,590	0	0	41,933	15,370	87,229	336,947
1963	30,068	54,461	1,956	149,998	0	0	51,376	9,026	81,858	398,743
1964	74,509	55,626	4,553	126,591	0	0	67,236	8,923	100,787	438,225
1965	237,285	106,465	32,592	231,905	0	0	28,425	8,351	37,598	682,621
1966	79,895	116,045	334	232,251	0	0	62,178	11,056	45,217	546,976

Source: Federal Agencies' Field Offices.

Federal Agency Bureau of Sport Fisheries & Wildlife

Program Ruby Lake National Wildlife Refuge

County Elko

State Nevada

TABLE NO. C-7a

Page 3 of 3

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 23,036	$ 0	$23,036
1958	0	0	0	7,000	0	0	0	23,805	0	30,805
1959	0	0	0	0	0	0	0	21,160	0	21,160
1960	0	0	0	0	0	0	0	21,400	0	21,400
1961	0	0	0	0	0	0	0	18,370	0	18,370
1962	0	0	0	0	0	0	0	23,295	0	23,295
1963	0	4,000	0	0	0	0	0	37,965	0	41,965
1964	100	4,000	5,000	500	0	0	0	30,400	0	40,000
1965	300	6,000	4,000	2,000	0	0	700	30,300	0	43,300
1966	200	5,000	5,000	1,000	0	0	2,000	30,700	0	43,900

Source: Federal Agencies' Field Offices.

Federal Agency Interior - BLM

Program All

County Elko

State Nevada

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 598	$ 79,179	$ 9,361	$ 0	$ 0	$ 0	$ 0	$ NA	$ 113,882	$ 203,000
1958	8,845	51,361	8,845	0	0	0	0	NA	91,949	161,000
1959	16,040	101,716	13,203	0	0	0	0	NA	105,041	236,000
1960	17,240	132,167	14,602	0	0	0	0	NA	56,991	221,000
1961	18,425	121,858	17,670	0	0	0	0	NA	98,047	256,000
1962	38,497	192,789	19,401	0	0	0	0	NA	78,313	329,000
1963	81,992	69,614	13,923	2,475	0	0	0	NA	328,996	497,000
1964	172,793	235,699	29,518	5,308	0	0	0	NA	40,682	484,000
1965	179,760	377,346	36,883	14,401	0	0	159,140	NA	131,270	899,000
1966	109,794	242,824	27,922	8,177	0	0	113,883	NA	179,400	682,000

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Elko

STATE Nevada

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Grazing - Class 1	$ 6.00	52,055	$ 312,330	28.68	$ 8,958	17¢
Class II	3.00	247,935	743,805	28.68	21,332	9
Class III	2.00	607,349	1,214,698	28.68	34,838	6
Class IV	1.25	116,724	145,905	28.68	4,185	4
BLM						
Rural - Urban	150.00	2,000	300,000	36.91	11,073	554
Grazing - Class I	6.00	250,000	1,500,000	36.91	55,365	22
Class II	3.00	835,000	2,505,000	36.91	92,460	11
Class III	2.00	2,000,000	4,000,000	36.91	147,640	7
Class IV	1.25	3,732,889	4,666,111	36.91	172,226	5
BSF&W						
Grazing	5.00	10,628	53,140	36.91	1,961	18
Totals	$ 1.97	7,854,580	$ 15,440,989	35.62	$ 550,038	7¢

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

C30-20

Federal Agency U.S. Forest Service
Revenue Sharing Program Humboldt National Forest (25%)a/
County Elko
State Nevada

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 x a/)
1957	$ 64,387	$ 0	$ 64,387	$ 16,097	$ 0
1958	42,299	0	42,299	10,575	0
1959	52,734	0	52,734	13,184	0
1960	51,432	0	51,432	12,858	0
1961	45,896	0	45,896	11,474	0
1962	43,198	0	43,198	10,299	0
1963	46,899	785	46,114	11,529	196
1964	42,327	512	41,815	10,454	128
1965	42,138	1,035	41,103	10,276	259
1966	48,506	982	47,524	11,881	246

Source Federal Agencies' Field Offices.

County Elko

State Nevada

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

Years	Total School Budget	P.L. 815 Aid Provided	P.L. 815 % of Total Budget	P.L. 874 Aid Provided	P.L. 874 % of Total Budget
1957	$ 1,155,658	$ 260,721	22.5	$ 0	0
1958	1,101,105	260,721	23.6	0	0
1959	1,244,946	260,722	20.9	37,917	3.0
1960	1,345,274	260,722	19.4	49,372	3.7
1961	1,387,555	260,722	18.7	60,605	4.4
1962	1,555,348	0	0	55,199	3.5
1963	1,714,805	0	0	53,107	3.1
1964	1,810,907	0	0	56,706	3.1
1965	1,988,756	0	0	66,751	3.4
1966	2,081,218	0	0	79,995	3.8

Sources: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

CASE COUNTY DIGEST
CARROLL, NEW HAMPSHIRE

I. The County

a. General Description: Carroll is a medium sized county located in the eastern part of the state and bordering on Maine. It has a total land area of slightly over 600,000 acres of which about 145,000 acres are in Federal ownership, all being part of the White Mountain National Forest.

The county seat is Ossipee and the county contains one municipality, 18 townships, 17 school districts and 16 special districts, a total of 52 units of government in addition to the conventional county government with its Board of Commissioners. As is the practice in all New Hampshire's counties, the county government is defunct as a unit exercising financial control, assessments or tax collections. Its activities are limited to certain administrative and legal functions in addition to such activities as public welfare, health, hospital services, law enforcement, public safety and fire protection. Typically, however, all these functions are provided by or through other units of government. The municipality and townships are the active units of government performing all the various financial and administrative functions.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	15,829	1966	2	15,600	-1.4
Urban[1]	1960	1	0	1966	2	0	0
Rural	1960	1	15,829	1966	2	15,600	-1.4
Employment	1959	3	2,898	1966	3	3,530	21.8
Effective Buying Income ($000)	1960	2	24,430	1966	2	35,950	47.2
Per Capita EBI ($)	1960	2	1,546	1966	2	2,304	49.0
Public School Enrollment (K-12)	1960	1	3,463	1965	4	3,000	-13.4

1/ Includes areas of 2,500 people or more.

Sources: See Page C31-2

These figures show that the population during the years 1960-1966 declined slightly, and that is entirely a rural population, although a significant part of the increase in employment came from non-farming activities such as the recreation and hospitality industries. While the effective buying income of the county's population increased at a reasonable rate, general economic conditions in the county were and are still unsatisfactory with a seasonal high unemployment rate and income levels below the state average. It is important to note that the public school enrollment (K-12) declined during the 1960-1965 period at about a rate nine times that of the population decline, indicating the migration of young persons from the county.

c. The Land: As mentioned, approximately 24% of the county land area is in Federal ownership and under Forest Service management. The White Mountain National Forest is under a multiple use land management program, the significant uses being timber cutting and recreational activities.

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the period 1957-1966. During this period total receipts rose $2.4 million or 86%. This figure is accounted for by an increase of 92% in property tax collections and 76% in other taxes and revenues. This distribution indicates an increasing reliance upon property taxes.

During the same period, bonded indebtedness of the various units of local government, including the county itself, rose very substantially to where the total outstanding debt in 1966 totaled just under $4 million, as compared with under $1 million at the end of 1957. This outstanding debt represents less than one year's total expenditures.

As can be seen from Table No. C-1a, total state taxes per capita increased from $63 in 1957 to $113 in 1966 while local property taxes increased from $117 to $231 during the same period. Combined state and local property taxes increased 91% per capita and 14% as a percent of EBI during the period 1957-1966.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the 10-year period. Notably, expenditures increased at a lesser rate than revenues -- a rather unusual situation -- with a total increase of $2.8 million in the 10-year period but representing only a rate of 63% (as compared with the increase in revenues of 86%). Despite the declining pupil population, expenditures for education increased at a rate of 63% while the expenditures for highway and other items increased at rates of 55% and 61% respectively. Expenditures per capita rose from $179 in 1957 to $297 in 1966, a rate of 66%.

c. Property Taxes: Table No. C-3 contains detailed data for the assessed value of property subject to taxes for the 1957-1966 period. It shows an increase of 116% in the total assessed value which in part resulted from changes in assessment ratio, a substantial increase in residential properties and a lesser increase in commercial and industrial property. Millage rates decreased during the 10-year period and a weighted average of 37.5 mills was in effect in 1966.

Included in the tax base are the assessed values of possessory interests on Federal lands, some of which are subject to local and state taxation while others are not. The summary enclosed at the end of the case study digest shows a tax yield of $1,680 from a sole category of leasehold.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: As stated, the Forest Service only is engaged in land management and revenue sharing programs in the county. Revenue sharing payments from the activities within the White Mountain National Forest varied from a low of $7,309 in 1958 to a high of $15,586 in 1965. The 1966 revenue sharing payments totaled $14,158, amounting to nearly 10¢/acre. Table No. C-4 contains the 10-year record of payments.

b. Indirect Benefits: The State of New Hampshire is not eligible for the BPR Sliding Scale Highway Aid Program. Conversely, New Hampshire obtained annual allocations under the Forest Highway Aid Program, some of which benefited Carroll County specifically. An allocation of the state payments which averaged slightly over $100,000 per year cannot be made.

c. Value of Free Goods and Services: The only identifiable free goods the county obtained were certain parcels of land. Based on estimates of the Forest Service as to the value of this land, the annual benefit to the county was estimated in Table No. C-6 to be $3,832.

The relatively high potential tax revenue estimated to obtain from private ownership is a function of the assessment of these lands at the surface values shown in Table C-8, though these are substantially higher than would be applied to the state tax equalization procedure. Under this procedure, townships adversely affected through the presence of public lands obtain an "equalized" amount from the state. That, however, is typically based on historic land values and/or the tax need less the tax or revenue share payments obtained. Thus, only as a result of a true sale of the land at current market values could it be estimated that the revenue of $1.40¢/acre might result.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: The Forest Service reduces receipts available for revenue sharing by certain specified costs. Table No. C-9 lists the detailed data for gross receipts, specified costs, and the resulting revenue sharing "lost". Specified costs varied from a high of about $13,000 in 1963 to a low of $7,600 in 1958. These specified costs in 1966 were equal to 16% of gross receipts and resulted in a reduction of available revenue for sharing of $2,728 or approximately 20% of the revenue sharing payment in 1966.

d. Public Laws 815 and 874: The school districts in Carroll County did not qualify for aid under Public Laws 815 and 874.

V. Impact of Present System

a. County Finance: The impact of the present revenue sharing system, including other direct and indirect benefits, can be measured, to some extent, by a comparative analysis of the net financial benefit and losses. The net benefit is composed of the following items (1966 figures):

Revenue Sharing (C-4)	$14,158
Free Goods (C-6)	3,832
Joint Use Facilities (III.d.)	3,301
Total Benefits	$21,291 = 15¢/acre

These figures might be compared with the potential property tax revenue which might accrue if the forest lands were in private ownership. As stated (Table C-8), an estimate of $1.04 per acre was computed which is almost seven times more than the total benefit from the existing Federal revenue sharing and associated programs.

d. Federal Facilities and Services Having Joint Use: Units of local government benefit from the provision of free services provided by the Forest Service. They included fire control and protection along with facilities and equipment valued at $2,783 annually, and personnel training. Training cost was estimated to be $518 annually for a total yearly budget of $3,301.

e. Resource Expenditures - Management: Within the framework of the Forest Service's routine land management functions, considerable sums were expended yearly for administrative, operating and capital expenditures. These expenditures rose from a total of $89,500 in 1957 to almost $260,000 in 1966. Table No. C-7 contains the data for the 10-year period and shows an average total annual expenditure of $186,750 of which 58% was applied to administrative and operating expenditures and the remaining 42% to capital expenditures. Table No. C-7a contains expenditures by category.

The survey of management functions performed by the Forest Service shows considerable effort expended toward timber stand improvement which, recognizing the generally low grade of timber in this part of the White Mountain National Forest, can be expected to improve the timber cutting activity and resulting revenue sharing payments in future years. Contrarily, forest managers did not indicate that their program is specifically related to such long-run economic objectives.

IV. Burdens to Local Government

a. Direct Burdens: Although it should be evident that the existence of a significant quantity of Federal land in the county would create a variety of financial burdens upon the various units of local government, none were indicated by various government officials.

b. Indirect Burden: The immunity of the national forest from taxation by local government represents the loss of an important revenue source. With the exception of some 13,000 acres, the land is of relatively high value as compared, for example, with grazing lands, and this, if it were in private ownership, could be expected to yield a substantial property tax revenue. Table No. C-8 contains an estimate of the potential tax revenues which could be expected to accrue if the land were in private ownership. It shows an estimate of over $4 million in assessed value on which the 1966 millage rate would produce a total tax of $151,420 or an average of $1.04 per acre, a figure ten times that of the $14,158 or 10¢/acre revenue sharing generated from these same lands.

b. The Overview: Despite the large disparity between present benefits from the national Forest and the potential tax revenue, if the lands were in private ownership, there is no apparent discontent with the existence of so large a share of Federal lands. There are, however, serious reservations in respect to the efficacy of the utilization of the public lands and plans relating thereto as a future major economic factor for the county. It has been suggested that greater economic benefit might accrue in the long run if these lands were available for development as summer home sites, recreation centers and year-round residential developments. Admittedly, such land use would detract from the overall draw of the unspoiled character which the national forest provides. Doubts have been raised as to whether local citizens would prefer to have such development take place, regardless of the economic implications. Those citizens who are concerned with the provision of public services and the implicit financial obligations favor a land management program which is maximized towards long-run economic benefits. In Carroll County, the long-run economic considerations are particularly important as the county has virtually no economic base and its socioeconomic future remains in doubt.

CARROLL, NEW HAMPSHIRE

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Boy's Camp	0	0
	Rights-of-way	0	0
	Recreational	$45,000	$1,680
	Total	$45,000	$1,680

Source: Federal Agencies' Field Offices, New Hampshire Tax Commission.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Cities & Towns (1964)	NA	$ 495,600
Special Districts (1964)	NA	3,533,329
Presincts (1964)	NA	32,600
Total	NA	$4,061,529

Note: The grand total for 1966 is $3,979,846, however, a breakdown by indebted units of government for the years 1965 and 1966 was not available. Likewise, a breakdown as to type and purpose of land is not available.

Source: Carroll County Audit Reports.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Carroll

STATE New Hampshire

Year	Real Property1/ (1)	Personal Property1/ (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 1,791,706	$ 86,393	$ 1,878,099	$ 958,909	$ 2,837,008
1958	1,820,592	87,785	1,908,377	974,368	2,882,745
1959	1,954,730	94,253	2,048,983	1,046,157	3,095,140
1960	2,096,038	101,067	2,197,105	1,121,785	3,318,890
1961	2,236,763	107,852	2,344,615	1,197,099	3,541,714
1962	2,400,440	115,744	2,516,184	1,284,698	3,800,882
1963	2,625,040	126,574	2,751,614	1,770,728	4,522,342
1964	2,828,109	136,366	2,964,475	1,435,067	4,399,542
1965	3,025,718	145,894	3,171,612	1,475,155	4,646,767
1966	3,434,719	165,615	3,600,334	1,689,291	5,289,625
% incr./decr. '66 vs. 1st yr.	91.7	91.7	91.7	76.2	86.5

1/ Allocation between real and personal property taxes, estimated from New Hampshire State Tax Commission Reports, specific figures for each not available.

Source New Hampshire State Tax Commission Reports and Carroll County Audit Reports.

C31-8

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY Carroll

STATE New Hampshire

	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
YEAR	Sales & Gross Receipts (1)	Individual Income (2)	Other1/ (3)	Total1/ (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	574	37	394	1,005	4.57	62.81	8.54	117.38	13.11	180.19
1958	642	38	381	1,061	4.58	66.31	8.24	119.27	12.82	185.58
1959	706	37	406	1,149	4.63	71.37	8.26	127.27	12.89	198.64
1960	801	34	398	1,233	5.05	78.04	8.99	139.06	14.04	217.10
1961	876	38	378	1,292	4.79	81.77	8.69	148.39	13.48	230.16
1962	934	39	410	1,383	4.99	88.09	9.08	160.27	14.07	248.36
1963	988	39	388	1,415	4.99	92.48	9.70	179.84	14.69	272.32
1964	979	42	418	1,439	4.76	94.05	9.81	193.76	14.57	287.81
1965	1,080	46	421	1,547	4.81	99.17	9.86	203.31	14.67	302.48
1966	1,212	50	497	1,759	4.89	112.76	10.01	230.79	14.90	343.55

1/ Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Carroll

STATE New Hampshire

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$1,581,612	$ 74,496	$1,209,132	$ 2,865,240	$ 179
1958	1,699,785	80,062	1,299,473	3,079,320	192
1959	1,870,402	88,099	1,429,909	3,388,410	210
1960	1,934,225	91,105	1,478,700	3,504,030	222
1961	2,011,758	94,757	1,537,975	3,644,490	231
1962	2,014,810	94,900	1,540,309	3,650,019	232
1963	2,003,371	78,421	1,785,650	3,867,442	253
1964	2,460,391	172,795	1,657,038	4,290,224	280
1965	2,511,841	81,091	1,833,028	4,425,960	284
1966	2,571,993	115,580	1,945,503	4,633,076	297
% incr./decr.'66 vs. first year	62.6	55.1	60.9	61.7	65.9
% incr./decr.'66 vs. first year per capita	65.7	40.0	64.5	65.9	

Source: 1957-62 data estimates derived from State Tax Commission Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management

County Carroll

State New Hampshire

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial Industrial	(3) Public Utility	(4) Rural[2/]	(5) Mineral, Timber, Other Nat. Res.[3/]	(6) Personal[3/]	(7) Other	(8) Total Assessed Value
1957 Assessed Value	$ 39,751,391	$ 288,586	$ 2,157,237	$	$	$	$ 2,343,251	$ 44,540,465
Aver Tax Rate 42.2 mills								
Item % of Total	89.3	0.6	4.8				5.3	100.0
1958 Assessed Value	40,843,857	306,188	2,274,086				2,701,181	46,125,312
Aver. Tax Rate 41.4 mills								
1959 Assessed Value	42,690,579	218,500	2,432,371				2,869,691	48,211,141
Aver. Tax Rate 42.5 mills								
1960 Assessed Value	44,702,397	286,290	2,544,824				2,963,449	50,496,960
Aver. Tax Rate 43.5 mills								
1961 Assessed Value	50,106,144	340,854	2,717,986				1,907,727	55,072,711
Aver. Tax Rate 42.6 mills								
1962 Assessed Value	51,999,707	369,709	2,721,399				1,956,950	57,047,765
Aver. Tax Rate 44.1 mills								
1963 Assessed Value	54,762,712	392,053	2,685,815				2,081,847	59,922,427
Aver. Tax Rate 45.9 mills								
1964 Assessed Value	70,520,348	844,253	3,073,153				2,707,109	77,144,863
Aver. Tax Rate 38.4 mills								
1965 Assessed Value	74,656,561	1,093,573	3,064,715				2,707,193	81,522,042
Aver. Tax Rate 38.9 mills								
1966 Assessed Value[1/]	88,566,909	1,029,775	3,216,346				3,226,952	96,039,982
Aver Tax Rate 37.5 mills								
Item % of Total	92.2	1.1	3.3				3.4	100.0
Increase/Decrease 66 vs. '57	122.8	256.8	49.1				37.7	115.6

[1/] Assessed value represents various percentages of actual market value. Assessment varies by taxing jurisdiction.

[2/] Included in Residential.

[3/] Included in Other.

Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = NEW HAMPSHIRE COUNTY = CARROLL										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	8822	7308	12014	14483	9224	15715	13450	14768	15586	14157
PERCENT BASE YEAR	100.0	82.8	136.2	164.2	104.6	178.1	152.5	167.4	176.7	160.5
PROGRAM ACREAGE	144935	144935	144935	144935	144973	144992	144992	144992	144992	144991
REVENUE $ PER ACRE	0.06	0.05	0.08	0.10	0.06	0.11	0.09	0.10	0.11	0.10
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	8822	7308	12014	14483	9224	15715	13450	14768	15586	14157
PERCENT BASE YEAR	100.0	82.8	136.2	164.2	104.6	178.1	152.5	167.4	176.7	160.5
PROGRAM ACREAGE	144935	144935	144935	144935	144973	144992	144992	144992	144992	144991
REVENUE $ PER ACRE	0.06	0.05	0.08	0.10	0.06	0.11	0.09	0.10	0.11	0.10

This county does not have any Nonsection 10 land programs.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

(21-12)

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Carroll

STATE: New Hampshire

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Land	$ 3,832
	Total	$ 3,832

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County Carroll

State New Hampshire

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures 1/
1957	$ 47,033	$ 42,544	$ 89,577
1958	64,989	27,970	92,959
1959	82,068	27,163	109,231
1960	108,016	44,588	152,604
1961	85,768	84,513	170,281
1962	111,791	110,980	222,772
1963	122,933	102,797	225,730
1964	156,636	124,598	281,234
1965	150,229	113,152	263,382
1966	154,817	104,918	259,735
Average Year	108,428	78,322	186,750
Item % of Total, Average Year	58.1	41.9	100

1/ Figures based upon allocation of total forest expenditures according to relative acreage in the county.

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

C31-14

Federal Agency US Forest Service

Program White Mountain National Forest

County Carroll

State New Hampshire

TABLE NO. C-7a

Page 1 of 1

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure 1
1957	$ 5,982	$ 0	$ 565	$ 57,252	$ 4,679	$ 0	$ 11,659	$ 170	$ 18,806	$ 99,113
1958	6,831	0	875	45,803	5,315	0	22,571	194	23,827	105,416
1959	6,912	0	2,718	51,737	3,517	197	20,279	509	36,067	121,936
1960	6,256	0	546	127,418	2,292	33	20,674	365	38,263	195,847
1961	9,235	0	10,328	82,516	11,755	74	40,166	1,313	49,621	205,008
1962	11,125	0	15,927	101,462	20,137	658	53,070	4,606	55,584	262,569
1963	15,278	0	9,132	97,692	22,942	402	59,150	5,457	58,804	268,857
1964	30,819	0	6,990	143,189	25,678	240	57,714	4,577	69,661	338,868
1965	14,299	0	7,487	151,537	24,866	315	55,544	4,537	72,457	331,042
1966	11,591	0	8,151	118,382	27,523	461	62,069	5,041	78,322	311,540

1/ Expenditures allocated by Forest Service field officers according to local records.

Source: Federal Agencies' Field Offices.

C31-15

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Carroll

STATE New Hampshire

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Bare & Wasteland	$ 4.00	13,104	$ 52,416	37.5	$ 1,966	15¢
Timberland	25.00	130,438	3,260,950	37.5	122,285	94
Recreation Land	500.00	1,449	724,500	37.5	27,169	2000
Totals	$ 27.85	144,991	$ 4,037,866	37.5	$ 151,420	104¢

1/ Composite produced from estimates for each land class or type.
2/ Current minimum rate as set by State Tax Commission.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

C31-1C

Federal Agency US Forest Service

Revenue Sharing Program White Mountain National Forest (25%)[a/]

County Carroll

State New Hampshire

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 × a/)
1957	$ 43,658	$ 8,366	$ 35,292	$ 8,823	$ 2,092
1958	36,877	7,641	29,236	7,309	1,910
1959	58,756	10,696	48,060	12,015	2,674
1960	69,044	9,108	59,936	14,984	2,277
1961	46,466	9,566	36,900	9,225	2,392
1962	73,789	10,929	62,860	15,715	2,732
1963	66,786	12,982	53,804	13,451	3,246
1964	69,107	10,031	59,076	14,769	2,508
1965	72,713	10,369	62,344	15,586	2,592
1966	67,543	10,910	56,632	14,158	2,728

Source: Federal Agencies' Field Offices.

CASE COUNTY DIGEST
COOS, NEW HAMPSHIRE

I. The County

a. General Description: Coos County is the northern-most county in the state; it is also the largest in total land area. It is bounded on the west by Vermont and on the north by Canada, on the east by Maine, and is separated from the more populous and developed parts of the state by the rugged mountainous terrain of the White Mountain National Forest. The county seat is Lancaster, a relatively small town. The largest population center in the county is Berland, a city of approximately 17,000 persons. It has a pulp and paper industry which is the county's major industrial activity.

There is a total of 48 units of local government in Coos County comprised of one municipality, 20 townships, 20 school districts and six special districts plus the county itself. As in all other New Hampshire counties, county government is limited to a few administrative and legal functions besides having some responsibilities in the areas of health and welfare, law enforcement, public safety and fire protection. All of the financial management functions of local government are under the purview of the municipality and townships. Each of them operate separately under a system which is closely controlled and monitored by state authorities. The six special districts are concerned with the operation of sanitary and water facilities.

b. Vital Statistics: Following are the vital statistics for the entire county.

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	37,140	1966	2	34,400	-7.4
Urban[1]	1960	1	17,827	1966	2	18,000	1.0
Rural	1960	1	19,313	1966	2	16,400	-15.1
Employment	1959	3	8,683	1966	3	8,607	-0.9
Effective Buying Income ($000)	1960	2	61,088	1966	2	77,592	27.0
Per Capita EBI ($)	1960	2	1,642	1966	2	2,256	37.4
Public School Enrollment (K-12)	1960	1	5,575	1965	4	6,100	9.4

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[1] Includes areas of 2,500 people or more.

Sources: See page C32-2.

The foregoing figures evidence a decline in total population, most notably in the rural population. Likewise, a small decline in total employment is shown during the 1959-1966 period. Though its rate of almost 1% is smaller than that of the population decrease, it is noteworthy that the population of Coos County experienced considerable underemployment and unemployment, a situation which is understood not to have been solved to date. The statistics on effective buying income and per capita EBI show gains despite the aforementioned employment situation. Public school enrollment (K-12) during the 1960-1965 period increased by over 500, an increase of 9% which is somewhat unusual in the face of a population decline.

c. The Land: Of the total land area of 1.2 million acres, over 201,000, or 17%, are part of the White Mountain National Forest. In addition to these forest lands there is a small amount of state and municipally owned forest acreage. All the Federal lands are part of the National Forest and, as such are subject to revenue sharing.

II. County Finance

a. Revenue: As in all other New Hampshire counties one might argue that it is improper to even refer to county finance. As stated under paragraph I.a the county government, though it legally exists, has no financial functions. The figures represented herein relate to the units of government located within the county boundaries and which carry out the public finance functions. Table No. C-1 contains detailed revenue data for these units of government for the period 1957-1966. Real and personal property tax represent the largest share of total revenue, approximately 82% in 1966 of total receipts. If receipts from proceeds of bond issues were reduced from the figures for "Other Taxes and Revenues" in 1965 and 1966, property taxes would amount to as much as approximately 89% of total revenue. Over the 10-year period total receipts have increased by 2.7 million, with about $2.2 million accruing from property taxes.

Various units of government within the county issued an increasing amount of bonded debt during the 10-year period, the total rose from about $1.4 million in 1957 to $3.9 million in 1966. However, a fair share of the new indebtedness was applied to the requirements of previously incurred debt except during the years 1965 and 1966, for which no detailed figures are, as yet, available. A summary of bonded indebtedness by category as of 1964 and the total outstanding debt as of 1966 are contained in the summary at the end of the case digest.

Sources:
1. U.S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U.S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U.S. Dept. of Health, Education, & Welfare, Office of Education, Education Directory, Part 2, 1967.

Table No. C-1a shows an increase in state per capita taxes from $56 in 1957 to $89 in 1966 and an increase in local property taxes from $89 to $160 during the same period. Combined state and local property taxes increased 71% per capita and 7% as a percent of EBI.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the period 1957-1966 for the various units of government located within the county. Total expenditures increased at about the same rate as revenues with the largest share of the increase being for education, 72%, as compared with highways, 42%, and other expenditures, 67%. From a rather moderate expenditure per capita in 1957, $108, expenditures per capita increased to $195, an increase of 81%.

c. Property Tax: Table No. C-3 contains detailed data for the assessed value of property subject to tax for the period 1957-1966. As noted, the property tax is the only large source of revenue for local government and, therefore, relatively high assessment rates and mill rates are applicable in Coos County. The large increase in assessed value in 1966 is attributable to a state tax equalization program under which all properties were reassessed to reflect full market value. Concurrent with the increase in assessed value the millage rate was reduced with a net result of an increase in the tax yield of approximately 10%. The net effect of the 106% increase in assessed values over the 10-year period and the changes in millage rates is well reflected in Table No. C-1 which shows the increase in actual property tax collections.

Under state statute the towns and municipalities having Federal lands are subject to a state tax equalization program which provides for state payments in lieu of taxes. They are designed to compensate for any difference in revenue to local government from Federal revenue sharing and the amounts which would have been generated under the property tax provisions applicable to private ownership. The method employed in this equalization program relies on low land values and it is, therefore, debatable whether, in fact, it does provide a full tax loss equalization. Conversely, the formula employed does not deduct for any direct benefits the units of local government may realize from the Federal lands, such as the free supply of goods and services and the use of Federal facilities.

Included in the tax base are leasehold interests on Federal lands. The summary at the end of the case county reports lists the types of leases, the assessed value of the improvements, and the property tax generated therefrom. The totals of $87,200 and $3,427, respectively are relatively insignificant amounts.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: The Forest Service payment for the White Mountain National Forest is the only revenue sharing program applicable to Coos County. Table No. C-4 contains figures for shared revenue for the period 1957-1966. The largest amount, $21,827, occurred in 1962, slightly more than double the low in 1958. The 1966 total was $19,664.

b. Indirect Benefits: The State of New Hampshire is not eligible for the BPR Sliding Scale Highway Aid Program. However, it does obtain payments under the Federal Forest Highway Aid Program but these payments are not allocable to a specific county.

c. Value of Free Goods and Services: Various units of local government obtained free of charge small tracts of land for use as rights-of-way, gravel pits and public facility purposes (water supply, dam, etc.). Based on estimates of the Forest Service of the value of these tracts, it was estimated that their annual value amounts to $743 as shown in Table No. C-6.

d. Federal Facilities and Services Having Joint Use: Local units of government benefit from the use of certain Federal facilities. According to local forest administrators, these facilities and services are used in their entirety by local governments and no reimbursement is made for them. The value of these facilities and services comprising fire control stations, personnel training in fire control and fighting, and related equipment was estimated to be $4,459 annually.

e. Resource Expenditures - Management: Resource expenditures by the Forest Service increased substantially during the 10-year period as is evident in the figures contained in Table No. C-7. The latest year, 1966, shows total expenditures of $360,500, almost three times the expenditures in 1957. The average annual expenditure is $259,000, of which 58% relates to administrative and operating expenses and the balance to capital expenditures. Table No. C-7a contains the details by expenditure category. The largest increase is in the recreation category while the largest amount was spent for trails and roads.

The survey of management functions performed by the Forest Service indicates emphasis upon timber stand improvement and development of recreational facilities. As noted in other case county digests, it was not shown that the Forest Service management program is geared to a maximization of the economic benefits. Likewise, the Forest Service indicates that its program is not influenced in any way by the revenue sharing provisions applicable to timber sales.

IV. Burdens to Local Government

a. Direct Burdens: Officials from the various units of local government have not expressed or identified any direct burden caused to local government by the existence of the Federally owned lands. Due to the virtual separation of the county's towns from the rugged terrain of the National Forest, it is reasonable to accept this statement.

b. Indirect Burden: The Federal lands' immunity to taxation by local governments represents the loss of substantial tax revenue, though, as stated this loss is supposedly compensated through the revenue sharing provisions and the state tax equalization program. However, study of the forest lands, their potential assessed values and resulting tax revenues, if they were in private ownership, results in a large disparity between the potential tax revenue and the revenues presently derived. Table No. C-8 contains the details of the estimated land values and potential tax revenues. It shows that over $220,000 per year, or an average of $1.10 per acre, might be derived in property taxes.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: Table No. C-9 contains the 10-year data for gross receipts, specified costs and the resulting loss in the amount available for revenue sharing. These reductions varied from a low of $2,800 in revenue shares lost to a high of $4,400. Specified costs in 1966 accounted for almost 16% of gross receipts resulting in a reduction of RS to the county of about 19% of the actual amount paid.

d. Public Laws 815 and 874: Units of government within the county did not qualify for payments under PL 815 and PL 874.

V. Impact of Present System

a. County Finance: The impact of the present system upon the various units of local government can first be stated by a comparison of the present net benefits as compared with the potential revenue if the forest lands were in private ownership. The figures are as follows (1966 figures):

Revenue Sharing (C-4)	$19,664
Free Goods and Services (C-6)	743
Joint Use Facilities and Services (III.e.)	4,459
Total Direct Benefits	$24,866 = 12.35¢/acre

In other words, the $1.10 per acre obtainable from the lands if privately owned, is over eight times as much as the benefits presently derived under the existing revenue sharing provisions.

b. The Overview: In actuality, there is an advantage to local government from the existence of the national forest and the revenue sharing program. As previously stated, the county suffers from an underdeveloped economy and it is doubtful that the Federally owned lands would, indeed, generate the estimated property tax potential. Because of New Hampshire's heavy reliance upon property taxes (no income and sales taxes) the comparison is distorted to the extent that actual tax payments just might not accrue. However, it is also infeasible to predict how much of the tax, i.e., on how many acres the full amount due, as calculated, would be collected. Presently, however, because units of local government levy a severance tax on all timber cut, irrespective of the type of land from which it is cut, it now also obtains the shared revenue on the value of the timber and this may, in fact, exceed the amount of property tax which might realistically be collected from these lands. The only exception to this statement applies to those lands, approximately 2,000 acres, which have a potential for utilization as recreation and homesite lands, for which there is considerable demand and which, if they were in private ownership, tax revenues of up to $20 per acre would result.

In summary, in view of the prevailing economic conditions in the county, the analysis of potential tax revenue, as compared with existing benefits under the Federal programs, is not a realistic one. To the contrary, it should be concluded that at the present time the county derives net benefits from the existence of the revenue sharing program. This, coupled with the state's tax equalization program, provides for considerable financial stability which otherwise would not exist. Of greater concern is the overall economic future of a county in which the recreation industry seems to represent the greatest potential for a healthier economy. In this context the Federal land management program might be reassessed so that it may contribute importantly to the effective utilization of the county's economic potential.

COOS, NEW HAMPSHIRE

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease		Assessed Valuation	Total Tax Revenue
Forest Service	Right-of-way		$ 9,500	$ 374
	Recreation		38,500	1,512
	Commercial		39,200	1,541
		Total	$87,200	$3,427

Source: Federal Agencies' Field Offices, New Hampshire State Tax Commission.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
School	NA	$1,117,750
Cities & Towns	NA	525,171
Precincts	NA	11,000
Total	NA	$1,653,900

Total Outstanding Bonded Indebtedness, 1966 = $3,875,900

Source: New Hampshire State Tax Commission.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Coos

STATE New Hampshire

Year	Real Property 1/ (1)	Personal Property 1/ (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 3,049,316	$ 297,902	$ 3,347,218	$ 628,100	$ 3,975,318
1958	3,321,272	324,471	3,645,743	684,118	4,329,861
1959	3,571,207	348,888	3,920,095	735,600	4,655,695
1960	3,722,413	363,661	4,086,074	766,745	4,852,819
1961	3,807,657	371,988	4,179,645	784,304	4,963,949
1962	3,965,014	387,361	4,352,375	816,716	5,169,091
1963	4,148,786	405,315	4,554,101	731,298	5,285,399
1964	4,348,792	424,855	4,773,647	776,550	5,550,197
1965	4,633,346	452,654	5,086,000	1,108,483	6,194,483
1966	5,011,979	489,644	5,501,623	1,179,590	6,681,213
% incr./decr. '66 vs. 1st yr.	64.4	64.4	64.4	87.8	68.1

1/ Allocation between real and personal property taxes estimated from New Hampshire State Tax Commission Reports, specific figures for each not available.

Source: New Hampshire State Tax Commission Reports and Coos County Audit Reports.

C32-8

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY Coos

STATE New Hampshire

YEAR	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
	Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	1,087	89	917	2,093	3.95	56.26	6.31	88.98	10.26	145.24
1958	1,195	91	890	2,176	3.91	58.18	6.56	97.48	10.47	155.66
1959	1,161	87	939	2,187	3.70	58.79	6.62	105.38	10.31	164.17
1960	1,288	85	937	2,310	3.78	62.10	6.69	109.84	10.47	171.94
1961	1,379	87	898	2,364	3.79	63.04	6.70	111.46	10.87	174.50
1962	1,434	89	983	2,506	3.90	66.65	6.77	115.75	10.67	182.40
1963	1,482	88	920	2,490	3.88	68.60	7.09	125.46	10.97	194.06
1964	1,529	95	995	2,619	3.83	71.95	6.98	131.14	10.81	203.09
1965	1,670	105	995	2,770	3.81	75.07	7.00	137.83	10.81	212.90
1966	1,846	108	1,095	3,049	3.93	88.63	7.09	159.93	11.02	248.56

1/ Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col. (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

C32-9

C32-10

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Coos

STATE New Hampshire

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$1,965,555	$ 328,930	$ 1,716,851	$ 4,011,336	$ 108
1958	2,112,414	353,506	1,845,128	4,311,048	115
1959	2,324,449	388,989	2,030,336	4,743,774	128
1960	2,403,765	402,263	2,099,614	4,905,642	132
1961	2,500,120	418,387	2,183,779	5,102,286	136
1962	2,504,030	623,203	1,983,033	5,110,266	136
1963	2,680,507	601,430	2,071,907	5,353,844	147
1964	2,809,793	647,043	2,915,958	6,372,794	175
1965	3,102,700	644,499	2,597,056	6,344,255	172
1966	3,375,613	467,178	2,862,156	6,704,947	195
% incr./decr.'66 vs. first year	71.7	42.0	66.7	67.1	80.6
% incr./decr.'66 vs. first year per capita	84.9	44.4	80.4	80.6	

Source: New Hampshire State Tax Commission Reports and Coos County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

C32-11

County Coos

State New Hampshire

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial, Industrial	(3) Public Utility	(4) Rural 2/	(5) Mineral, Timber Other Nat Res 3/	(6) Personal 3/	(7) Other	(8) Total Assessed Value
1957 Assessed Value Aver Tax Rate 49.2 mills	$ 33,339,433	$17,643,939	$ 8,041,282	$	$	$	$ 9,009,453	$ 68,034,107
Item % of Total	49.0	25.9	11.8				13.3	100.0
1958 Assessed Value Aver. Tax Rate 53.3 mills	33,770,654	18,588,475	8,108,351				7,878,252	68,345,732
1959 Assessed Value Aver. Tax Rate 57.9 mills	34,134,632	18,346,060	8,326,286				6,997,224	67,804,202
1960 Assessed Value Aver. Tax Rate 56.5 mills	35,830,273	19,975,950	8,644,645				7,842,985	72,293,853
1961 Assessed Value Aver. Tax Rate 57.3 mills	38,271,684	20,074,870	8,540,598				6,024,313	72,911,465
1962 Assessed Value Aver. Tax Rate 58.1 mills	40,335,701	20,368,826	8,549,140				5,649,832	74,903,499
1963 Assessed Value Aver. Tax Rate 59.4 mills	41,623,284	20,729,804	8,841,850				5,531,563	76,726,501
1964 Assessed Value Aver. Tax Rate 61.2 mills	41,385,839	22,514,139	9,158,813				4,963,027	78,021,818
1965 Assessed Value Aver. Tax Rate 60.1 mills	47,956,603	21,896,067	9,527,811				5,411,924	84,792,405
1966 Assessed Value 1/ Aver. Tax Rate 39.3 mills 4/	78,192,617	37,841,652	14,420,990				9,530,934	139,986,193 4/
Item % of Total	55.9	27.0	10.3				6.8	100.0
Increase/Decrease '66 vs. '57	134.5	114.5	79.3				5.8	105.8

1/Assessed value represents various percentages of actual market value. Assessment varies by taxing jurisdiction.
2/Included in Residential.
3/Included in Other.
4/State tax equalization caused increased assessed values and consequent decreased millage.

Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = NEW HAMPSHIRE COUNTY = COOS										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	12258	10155	16693	20124	12813	21826	18681	20512	21647	19663
PERCENT BASE YEAR	100.0	82.8	136.2	164.2	104.5	178.1	152.4	167.3	176.6	160.4
PROGRAM ACREAGE	201377	201377	201378	201378	201378	201378	201378	201378	201378	201380
REVENUE $ PER ACRE	0.06	0.05	0.08	0.10	0.06	0.11	0.09	0.10	0.11	0.10
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	12258	10155	16693	20124	12813	21826	18681	20512	21647	19663
PERCENT BASE YEAR	100.0	82.8	136.2	164.2	104.5	178.1	152.4	167.3	176.6	160.4
PROGRAM ACREAGE	201377	201377	201378	201378	201378	201378	201378	201378	201378	201380
REVENUE $ PER ACRE	0.06	0.05	0.08	0.10	0.06	0.11	0.09	0.10	0.11	0.10

C32-12

This county does not have any Nonsection 10 land programs.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Coos

STATE: New Hampshire

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Land	$743
	Total	$743

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County Coos

State New Hampshire

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures 1/
1957	$ 65,275	$ 59,044	$ 124,320
1958	90,195	38,819	129,014
1959	113,898	37,699	151,597
1960	149,910	61,882	211,792
1961	119,034	117,291	236,325
1962	155,150	154,024	309,174
1963	170,613	142,667	313,280
1964	217,387	172,923	390,310
1965	208,496	157,038	365,535
1966	214,863	145,610	360,473
Average Year	150,482	108,700	259,182
Item % of Total, Average Year	58.1	41.9	100.0

1/ Figures based upon allocation of total forest expenditures according to relative acreage in the county.

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program White Mountain National Forest

County Coos

State New Hampshire

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Page 1 of 1

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 8,058	$ 6,157	$ 761	$ 65,149	$ 6,304	$ 0	$ 23,317	$ 229	$ 4,595	$ 114,570
1958	9,202	7,705	1,178	52,121	7,159	0	45,143	262	6,149	128,919
1959	9,312	8,442	3,661	58,873	4,738	197	40,564	686	20,154	146,627
1960	8,427	12,932	736	144,994	3,087	33	41,349	491	7,993	220,042
1961	12,441	13,047	13,914	93,897	15,836	74	80,332	1,769	22,906	254,216
1962	14,986	15,260	21,456	130,307	27,128	658	106,140	6,205	23,501	345,640
1963	20,582	19,295	12,302	111,167	30,906	402	118,301	7,352	14,234	334,541
1964	41,517	18,226	9,416	162,939	34,592	240	115,429	6,165	32,461	420,985
1965	19,265	24,396	10,087	172,439	33,498	315	111,089	6,112	15,448	392,649
1966	15,615	22,404	10,980	134,711	37,078	461	124,140	6,791	30,058	382,238

1/ Expenditures allocated by Forest Service field officers according to local records.

Source: Federal Agencies' Field Offices.

C32-15

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Coos

STATE New Hampshire

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Forest	$ 25.00	181,242	$4,531,050	39.3	$178,070	96¢
Bare & Wasteland	4.00	18,124	72,496	39.3	2,849	16
Recreational (Potential)	500.00	2,014	1,007,000	39.3	39,575	1965
Totals	$ 27.90	201,380	$5,610,546	39.3	$220,494	110¢

1/ Composite produced from estimates for each land class or type.
2/ Current minimum rate as set by State Tax Commission.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

C32-16

Federal Agency **Forest Service**

Revenue Sharing Program **White Mountain National Forest** (25%)[a/]

County **Coos**

State **New Hampshire**

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 x a/)
1957	$ 60,284	$ 11,248	$ 49,036	$ 12,259	$ 2,812
1958	50,892	10,272	40,620	10,155	2,568
1959	81,142	14,366	66,776	16,694	3,592
1960	92,728	12,232	80,496	20,124	3,058
1961	64,104	12,848	51,256	12,814	3,212
1962	101,985	14,677	87,308	21,827	3,669
1963	92,163	17,435	74,728	18,682	4,359
1964	95,519	13,471	82,048	20,512	3,368
1965	100,518	13,926	86,592	21,648	3,482
1966	93,308	14,652	78,656	19,664	3,663

Source **Federal Agencies' Field Offices.**

C32-17

CASE COUNTY DIGEST
GRAFTON, NEW HAMPSHIRE

I. The County

a. General Description: Grafton County is located in the west-central part of the state; it borders on Vermont and is one of the more populated of the Federal land-intense New Hampshire counties. The county seat is Woodsville. Within the boundaries of Grafton County there are one municipality, 37 townships, 39 school districts and 11 special districts. The special districts provide water and sanitation facilities in conjunction with the townships. As in all other New Hampshire counties, county government is limited to a few administrative and legal functions besides limited responsibilities in the areas of health and welfare, law enforcement, public safety and fire protection. All financial management functions of local government are conducted by the municipality and the townships. Each township and the single municipality provides its own assessment tax collection under a system closely controlled and monitored by state authorities. Services such as street and highway maintenance and construction, resource development, refuse collection and cemetery operation are provided exclusively by the municipality and townships.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	48,857	1966	2	50,000	2.3
Urban[1]	1960	1	18,321	1966	2	19,300	5.3
Rural	1960	1	30,536	1966	2	30,700	-0.5
Employment	1959	3	11,212	1966	3	13,235	18.0
Effective Buying Income ($000)	1960	2	89,347	1966	2	118,623	32.8
Per Capita EBI ($)	1960	2	1,838	1966	2	2,372	29.1
Public School Enrollment (K-12)	1960	1	9,804	1965	4	10,200	4.0

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[1] Includes areas of 2,500 people or more.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

The foregoing figures evidence a small population increase during the 1960-1966 period, almost all of which pertains to the urban portion of the county's population. During the 1959-1966 period employment grew at a substantially faster rate than total population with a commensurate increase in total effective buying income as well as per capita EBI. The increase in public school enrollment (K-12) during the 1960-1965 period followed the total population increase.

c. The Land: Of the total land area of 1.1 million acres, over 332,000 acres are part of the White Mountain National Forest, slightly over 30% of the county's total land area. The county also has a small amount of state and municipally owned land as well as some small tracts which are in other Federal ownership. The national forest lands are the only Federal lands subject to revenue sharing.

II. County Finance

a. Revenue: As in all other New Hampshire counties, one might argue that it is improper to even refer to county finance. As stated under paragraph I.a. the county government, though it legally exists, has no financial functions. The figures represented herein relate to the units of government located within the county boundaries which carry out the public finance functions. Table No. C-1 contains detailed revenue data for these units of government for the period 1957-1966. The figures indicate that revenues from real and personal property tax represent the largest share, approximately 82% to 85% of total revenue during the 10-year period. Overall, county receipts increased by slightly under $5 million during the 10-year period, an increase of 84%. The growth in property taxes, approximately $3.8 million, represents an increase of 79%. Correspondingly, receipts from Other Taxes and Revenues accounted for the balance, an increase of 111% during the 10-year period.

Various units of government within the county issued an increasing amount of bonded debt during the 10-year period, the total rising from about $4.1 million in 1957 to $6.5 million in 1966. While this rate of increase is relatively small, as compared with other New Hampshire counties, the bulk of the increase in the outstanding balance as of 1964 was accounted for by bond issues of the school districts, amounting to approximately $5.7 million.

Bonded indebtedness by category as of 1964 and the total outstanding debt as of 1966 is contained in the summary at the end of the case digest. Details for the year 1965 and 1966 are, as yet, not available.

Table No. C-1a shows a considerable increase in state taxes and local property taxes during the study period with a rate of increase amounting to 50% and 67% respectively, as reflected in the total of state and local property taxes per capita increase. The increase in taxes as a percent of EBI was a modest 10%.

The reason for the heavy reliance on property taxes is the absence of a personal income and sales tax, thereby making the property tax the only substantial source for local government revenues.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the period 1957-1966 for the various units of government located within the county. Expenditures increased by about $4.9 million during this period, an increase of 76%. Expenditures for education accounted for the largest increase, about $3.3 million or 80%, during the 10-year period. On a per capita basis, the increase in expenditures is more modest, accounting for a rate of 64% overall and 67% in education.

Secondary and higher education have become a major factor in the growth and development of Grafton County. Though the financial records do not permit the specific identification of expenditures for educational facilities, it is evident that the county has benefited both directly and indirectly. Dartmouth College, a state university, and other private educational institutions in the Hanover-Lebanon area in the southwestern corner of Grafton County presently represent the largest urban concentration and the most important center of socioeconomic activity. It has been observed that these institutions have collectively stimulated the type of industrial-research-academic activity which has the ability to serve as a catalyst for a sophisticated economic base serving the larger community. In this respect, Grafton County presents a significantly different picture than that which prevails in the other two Federal land intense counties in New Hampshire.

c. Property Taxes: Table No. C-3 contains detailed data for the assessed value of property subject to tax for the period 1957-1966. During the 10-year period, the assessed value of properties almost doubled while the mill rate decreased slightly. The increase in the assessed value of taxable real property reflects not only new properties but also a gradual change in the ratio of assessed value to market value which, under New Hampshire law, has to be equalized where assessed value now reflects actual market value.

The increase in the assessed value of residential properties is the largest of all the assessment categories shown in Table No. C-3. Its share of total assessed value increased from 58% in 1957 to 72% in 1966. Conversely, the share of public utilities declined from 32% to 19%. This decline does not result from a reduction in property values but, rather, from the fact that they were always subject to assessment by state authorities and, therefore, have continually reflected 100% of actual value.

Included in the tax base are leasehold interests on Federal lands. All the leaseholds subject to local taxation are related to the recreation industry. Leases for other purposes are not currently subject to property tax. The summary at the end of the case digest contains the appropriate details. It shows a total estimated assessed value of $111,000 and tax revenue of $4,283 per year.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: The Forest Service (FS), in administering the White Mountain National Forest, is the only agency and revenue sharing program applicable to Grafton County. Table No. C-4 contains figures for shared revenue for the period 1957-1966. The largest amount occurred in 1962, $39,949; the smallest in 1958, amounting to only $16,697. During the last five years revenue shared with local governments fluctuated from a high in 1962 to a low of $30,775 in 1963, with a 1966 payment of $32,429.

b. Indirect Benefits: The State of New Hampshire is not eligible for the BPR Sliding Scale Highway Aid Program. However, it does receive payment under the Federal Forest Highway Aid Program.

c. Value of Free Goods and Services: The FS has made available to the various units of local government free of charge tracts of land, for use as rights-of-way, gravel pits, and facilities for public works, recreation and storage. Based on estimates of the FS of the value of these tracts, it was estimated that their annual value amounted to $7,510 as shown in Table No. C-6.

d. Federal Facilities and Services Having Joint Use: Local units of government benefit from the use of certain Federal facilities. According to local forest administrators, these facilities and services are used in their entirety by local governments and no reimbursement for them is made. The value of these facilities and services comprising fire control stations, personnel training in fire control and fighting and related equipment was estimated to be $7,347 annually, and is included in the county summary contained in Part V.a. of this digest.

e. Resource Expenditures - Management: Resource expenditures by the Federal agencies in Grafton County almost tripled during the 10-year period as shown in Table No. C-7. Over the 10-year period the average annual expenditure amounted to $426,733, an increase of more than 100% as compared with 1957. Table No. C-7a contains the details by expenditure category for the FS. The largest increase is in the recreation category for which 1966 expenditures are over six times the amount in 1957. The survey of management functions as performed by the FS indicates emphasis upon timber stand improvement and development of recreational facilities. The overall management attitude by the forest officials of the White Mountain National Forest appears consistent for all of the counties in which the forest is located. Put differently, the forest seems to be managed as one entity with little variation reflected in one county as opposed to another, though it is apparent that the economic needs vary substantially among the three counties.

IV. Burdens to Local Government

a. Direct Burden: Officials from the various units of local government have not expressed or identified any direct burden to local government from the existence of Federally owned lands.

b. Indirect Burden: The Federal lands' immunity to taxation by local governments represents the loss of substantial tax revenue, though, under New Hampshire law this loss is supposedly compensated for by the state tax equalization program. However, a study of the forest lands, their potential assessed values and resulting tax revenues, if they were in private ownership, results in a large disparity between the potential tax revenue and the revenues presently derived. These lands include considerable acreage suitable for private recreation facilities and, therefore, has an estimated value 20 times that of forest lands. Table No. C-8 contains the details of the estimated land values and potential tax revenues. It shows that more than $357,144 per year, or an average of $1.07 per acre, might be derived in property taxes.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: Table No. C-9 contains the 10-year data for gross receipts, specified costs and the resulting loss in the amount available for revenue sharing. These reductions varied from a low of $4,231 in revenue shares lost to a high of $7,181. Specified costs fluctuated from 14% of gross receipts (1960) to a high of 20% of gross receipts (1958). The variation in specified costs, year-by-year, does not indicate any specific pattern and is suspected to relate to specific improvement projects undertaken by the FS during each of the various years. The 1966 specified costs amounting to only 16% of gross receipts, resulted in a reduction of net receipts available for revenue sharing equal to about 18% of shared revenue.

d. Public Laws 815 and 874: Units of government within the county qualified in all of the years since 1961 for Federal assistance under PL 874. Table No. C-10 contains the detailed figures.

V. Impact of Present System

a. County Finance: The impact of the present system upon the various units of local government can be shown by a comparison of the net benefit as compared with the potential revenue if the forest lands were in private ownership. The figures are as follows (1966 figures):

Revenue Sharing (C-4)	$32,429
Free Goods and Services (C-6)	7,510
Joint Use Facilities and Services (III.d.)	7,347
Total Direct Benefits	$47,286 = 14¢/acre

The above stated net benefit compares unfavorably with the estimate of potential taxes in Table No. C-8 of $1.07 per acre. The latter is over 7.5 times as much as the benefits presently derived under the existing revenue sharing provision.

b. The Overview: Grafton County is not nearly as dependent upon the resources represented by the national forest as the other Federal land intense counties in New Hampshire; still, it benefits directly and indirectly from the existence of the substantial Federal acreage which has provided the basis for the county's first, fourth and fifth ranking economic activities. In order of importance, the county's economy is based upon manufacture of paper and leather goods, private education at primary, secondary and college levels, textile manufacturing, wood and wood-related products, and recreation services.

Under the existing regressive tax system in New Hampshire, Grafton depends heavily upon property taxes; however, it is an economically developing county in which the existence of the Federal lands, except for the disparity in actual direct revenues and associated benefits, as compared with the revenue potential if the lands were in private ownership, is of great benefit. The scenic beauty primarily represented by the national forest is cherished by the local population and is an important magnate for the attraction of tourists from a wide area.

The future of the county has been studied extensively and, according to the various study reports, its future growth, population and employment seems to be well assured. The recently completed interstate highway system provides improved access to and through Grafton County and is expected to further stimulate the county's economy.

GRAFTON, NEW HAMPSHIRE

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Recreational	$111,000[1/]	$4,283
	Roads, Rights-of-way	0	0
	Water supply and dams	0	0
	Total	$111,000	$4,283

1/ Estimate based on application of average millage rate to tax revenue.

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance	
Cities & Towns	NA	$1,276,000	(1964)
Schools	NA	5,748,370	(1964)
Precincts	NA	158,000	(1964)
Total	NA	$7,182,370	

Total Bonded Indebtedness, 1966 = $6,495,925.

Note: Face Value & allocation of 1966 bonded indebtedness for 1966 not available from Tax Commission.

Source: New Hampshire State Tax Commission.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Grafton

STATE New Hampshire

Year	Real Property1/ (1)	Personal Property1/ (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 4,544,891	$ 274,718	$ 4,819,609	$ 877,328	$ 5,696,937
1958	4,826,861	291,761	5,118,622	931,759	6,050,381
1959	5,299,078	320,305	5,619,383	1,022,914	6,642,297
1960	5,725,366	346,072	6,071,438	1,105,203	7,176,641
1961	5,917,845	357,706	6,275,551	1,142,358	7,417,909
1962	6,395,751	386,594	6,782,345	1,234,611	8,016,956
1963	6,631,381	400,836	7,032,217	1,156,691	8,188,908
1964	7,177,075	433,821	7,610,896	1,263,713	8,874,609
1965	7,463,656	451,823	7,915,479	1,482,854	9,398,333
1966	8,159,610	493,211	8,652,821	1,850,712	10,503,533
% incr./decr. '66 vs. 1st yr.	79.5	79.5	79.5	110.9	84.4

1/ Allocation between real and personal property taxes estimated from New Hampshire State Tax Commission Reports, specific figures for each not available.

Source: New Hampshire State Tax Commission Reports and Grafton County Audit Reports.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME
1957 - 1966

COUNTY **Grafton**

STATE **New Hampshire**

YEAR	State Taxes ($000) Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	Total State Taxes % of EBI (5)	Per Capita($) (6)	Local Property Taxes % of EBI (7)	Per Capita($) (8)	Total of State & Local Property Taxes % of EBI (9)	Per Capita($) (10)
1957	1,531	128	1,144	2,803	3.69	60.41	6.35	103.87	10.04	164.28
1958	1,677	127	1,099	2,903	3.72	62.84	6.55	110.79	10.27	173.63
1959	1,823	122	1,166	3,111	3.77	67.34	6.80	121.63	10.57	188.97
1960	2,021	124	1,225	3,370	3.77	69.34	6.80	124.93	10.57	194.27
1961	2,162	123	1,158	3,443	3.90	71.14	7.11	129.66	11.01	200.80
1962	2,265	127	1,267	3,659	4.01	75.44	7.43	139.84	11.44	215.28
1963	2,359	132	1,247	3,738	3.90	75.98	7.33	142.93	11.23	218.91
1964	2,311	140	1,339	3,790	3.75	77.35	7.54	155.32	11.29	232.67
1965	2,513	156	1,343	4,012	3.71	80.56	7.33	158.95	11.04	239.51
1966	2,779	165	1,592	4,536	3.82	90.72	7.29	173.06	11.11	263.78

1/ Excludes Corporation Net Income Taxes.

Sources: Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Grafton

STATE New Hampshire

Year	Education (1)	Highways (2)	Ocher Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expendit Per Capita (5)
1957	$4,069,787	$ 281,558	$ 2,047,691	$ 6,399,036	$ 138
1958	4,373,866	302,595	2,200,687	6,877,148	149
1959	4,812,898	332,968	2,421,588	7,567,454	164
1960	4,977,124	344,329	2,504,214	7,825,667	161
1961	5,176,634	358,132	2,604,595	8,139,361	168
1962	5,184,730	358,692	2,608,669	8,152,091	168
1963	5,144,364	372,039	2,222,201	7,738,604	157
1964	6,104,230	333,427	3,477,404	9,915,061	202
1965	6,282,970	508,144	3,412,626	10,203,740	205
1966	7,328,189	485,631	3,476,720	11,290,540	226
% incr./decr.'66 vs. first year	80.1	72.5	69.8	76.4	63.8
% incr./decr.'66 vs. first year per capita	67.0	66.7	59.1	63.8	

Source: New Hampshire State Tax Commission Reports and Grafton County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

C33-10

County Grafton

State New Hampshire

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial, Industrial	(3) Public Utility	(4) Rural 2/	(5) Mineral, Timber Other Nat. Res.	(6) Personal 3/	(7) Other	(8) Total Assessed Value
1957 Assessed Value	$70,274,989	$2,765,198	$39,375,077		$20,305		$8,926,661	$121,362,230
Aver. Tax Rate 39.7 mills								
Item % of Total	57.9	2.3	32.4		0		7.4	100.0
1958 Assessed Value	71,612,683	3,473,185	39,619,478		22,746		9,157,473	123,885,565
Aver. Tax Rate 41.3 mills								
1959 Assessed Value	77,931,259	3,701,390	40,269,355		25,260		9,091,195	131,018,459
Aver. Tax Rate 42.9 mills								
1960 Assessed Value	79,899,467	3,700,569	43,472,050		26,648		9,399,761	136,498,495
Aver. Tax Rate 44.5 mills								
1961 Assessed Value	86,922,794	3,970,238	40,641,803		27,615		7,049,786	138,612,236
Aver. Tax Rate 45.3 mills								
1962 Assessed Value	106,243,228	4,115,570	41,366,270		0		8,349,226	160,074,294
Aver. Tax Rate 42.4 mills								
1963 Assessed Value	121,675,893	6,078,612	40,733,054		0		9,723,345	178,210,904
Aver. Tax Rate 39.5 mills								
1964 Assessed Value	139,008,595	7,594,045	42,314,509		0		10,761,475	199,678,624
Aver. Tax Rate 38.4 mills								
1965 Assessed Value	144,443,485	7,810,521	42,835,943		21,040		10,194,954	205,305,943
Aver. Tax Rate 38.6 mills								
1966 Assessed Value 1/	161,214,541	8,694,476	42,958,927		29,799		11,116,239	224,013,982
Aver. Tax Rate 38.6 mills								
Item % of Total	72.0	3.9	19.1		0		5.0	100.0
Increase/Decrease '66 vs. '57	129.4	214.4	9.1		46.6		25.4	84.6

1/ Assessed value represents various percentages of actual market value. Assessment varies by taxing jurisdiction.

2/ Included in Residential.

3/ Included in Other.

Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

C33-11

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = NEW HAMPSHIRE										
COUNTY = GRAFTON										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	20155	16696	27457	33102	21081	35948	30774	33790	35700	32428
PERCENT BASE YEAR	100.0	82.8	136.2	164.2	104.6	178.4	152.7	167.7	177.1	160.9
PROGRAM ACREAGE	331092	331092	331220	331246	331309	331676	331734	331734	332106	332106
REVENUE $ PER ACRE	0.06	0.05	0.08	0.10	0.06	0.11	0.09	0.10	0.11	0.10
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	20155	16696	27457	33102	21081	35948	30774	33790	35700	32428
PERCENT BASE YEAR	100.0	82.8	136.2	164.2	104.6	178.4	152.7	167.7	177.1	160.9
PROGRAM ACREAGE	331092	331092	331220	331246	331309	331676	331734	331734	332106	332106
REVENUE $ PER ACRE	0.06	0.05	0.08	0.10	0.06	0.11	0.09	0.10	0.11	0.10

This county does not have any Nonsection 10 land programs.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

C33-12

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Grafton

STATE: New Hampshire

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Land	$ 7,510
	Total	$ 7,510

Source: **Federal Agencies' Field Offices, EBSMC Estimates.**

County Grafton

State New Hampshire

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 107,473	$ 97,215	$ 204,668
1958	148,502	63,914	212,416
1959	187,529	62,070	249,598
1960	246,822	101,886	348,708
1961	195,985	193,116	389,101
1962	255,448	253,596	509,044
1963	280,908	234,897	515,804
1964	357,920	284,712	642,632
1965	343,281	258,558	601,840
1966	353,764	239,743	593,507
Average Year	247,763	178,970	426,733
Item % of Total, Average Year	58.1	41.9	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency U.S. Forest Service

Program White Mountain National Forest

County Grafton

State New Hampshire

TABLE NO. C-7a

Page 1 of 1

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 14,134	$11,161	$ 1,334	$ 75,020	$ 11,056	$ 0	$ 37,890	$ 402	$ 8,059	$ 159,056
1958	16,140	13,966	2,066	60,018	12,557	0	73,357	459	10,784	189,347
1959	16,331	15,302	6,622	67,794	8,311	197	65,917	1,205	35,349	216,828
1960	14,781	23,440	1,290	166,962	5,414	33	67,193	862	14,018	293,993
1961	21,820	23,648	24,403	108,124	22,774	74	130,540	3,102	40,173	379,658
1962	26,203	27,658	37,630	132,950	47,378	658	172,479	10,883	41,217	497,338
1963	36,097	36,972	21,377	128,010	56,205	402	192,239	12,894	24,964	505,360
1964	72,015	33,036	16,315	187,627	60,669	240	187,572	10,813	56,931	923,516
1965	33,789	44,219	17,691	198,366	58,730	315	180,521	10,719	27,093	571,663
1966	27,386	40,607	19,258	155,121	65,029	461	201,727	11,910	52,716	574,215

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Grafton

STATE New Hampshire

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Forest	$ 25.00	298,895	$ 7,472,375	38.6	$ 288,434	97c
Bare & Wasteland	4.00	29,890	119,560	38.6	4,615	16
Recreation Development Potential	500.00	3,321	1,660,500	38.6	64,095	1930
Totals	$ 27.9	332,106	$ 9,252,435	38.6	$ 357,144	107c

1/ Composite produced from estimates for each land class or type.
2/ Current minimum rate as set by State Tax Commission.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

C33-14

Federal Agency U.S. Forest Service

Revenue Sharing Program White Mountain National Forest (25%)a/

County Grafton

State New Hampshire

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 × a/)
1957	$ 99,152	$ 18,532	$ 80,620	$ 20,155	$ 4,633
1958	83,712	16,924	66,788	16,697	4,231
1959	133,499	23,667	109,832	27,458	5,917
1960	152,561	20,153	132,408	33,102	5,038
1961	105,495	21,167	84,328	21,082	5,292
1962	168,160	24,180	143,980	35,995	6,045
1963	151,824	28,724	123,100	30,775	7,181
1964	157,353	22,193	135,160	33,790	5,548
1965	165,747	22,943	142,804	35,701	5,736
1966	153,854	24,138	129,716	32,429	6,034

Source Federal Agencies' Field Offices.

County Grafton

State New Hampshire

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

		P.L. 815		P.L. 874	
Years	Total School Budget	Aid Provided	% of Total Budget	Aid Provided	% of Total Budget
1957	$ 0	$ 0	0	$ 0	0
1958	0	0	0	0	0
1959	0	0	0	0	0
1960	0	0	0	0	0
1961	5,176,634	0	0	5,535[1/]	0.1
1962	5,184,730	0	0	12,212[1/]	0.2
1963	5,144,364	0	0	28,176	0.5
1964	6,104,230	0	0	28,305	0.5
1965	6,282,970	0	0	35,678	0.6
1966	7,328,189	0	0	30,312	0.4

[1/] Estimated by U.S. Department of Health, Education, and Welfare.

Sources Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

CASE COUNTY DIGEST
RIO ARRIBA, NEW MEXICO

I. The County

a. General Description: Rio Arriba is a large county, with a relatively small population, located in the northern part of New Mexico bordering Colorado. The county seat is Tierra Amarilla. The county contains two municipalities, three school districts and nine special districts; it is composed of a population mixture containing a large element of Spanish descendants and another large element of Indians. There are several Indian reservations within the county which are populated by the Apache and the Navajo. The municipalities and county government overlap in their functions. Both are engaged in the conventional financial, assessment and tax collection activities which they also provide for the three school districts, and are also engaged in a number of other services, the most important of which are in the areas of public health, law enforcement, and fire protection. Local units of government appear to rely heavily on assistance from state government departments in the areas of education, welfare, health, law enforcement and public safety, though they are self-sufficient in the area of sanitation and public utility operation, two areas with which the county government is not concerned.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	24,193	1966	2	26,900	11.2
Urban[1]	1960	1	0	1966	2	0	0
Rural	1960	1	24,193	1966	2	26,900	11.2
Employment	1959	3	1,490	1966	3	2,154	44.6
Effective Buying Income ($000)	1960	2	20,593	1966	2	29,955	45.5
Per Capita EBI ($)	1960	2	854	1966	2	1,114	30.4
Public School Enrollment (K-12)	1960	1	5,953	1965	4	8,100	36.1

1/ Includes areas of 2,500 people or more.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns, (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

The data indicate a wholly rural population which during the period 1960-1966 grew by some 2,700 people or 11%. During the years 1959-1966 employment increased more substantially, although the number of employed persons in 1966 was still small as compared with total population. While total effective buying income increased at a rate similar to the increase in employment, the per capita EBI remained at a very low level despite a 30% increase from 1960-1966. Public school enrollment (K-12) increased during the 1960-1965 period at a rate equal to three times the rate of population increase. This county, because of the ethnic composition of its population, shows widely different characteristics from most other study counties.

c. The Land: Of Rio Arriba's land area comprising over 3.7 million acres, more than 69% or almost 2.6 million acres are in Federal ownership. The Federal land is composed of the following:

Forest Service (FS)	1,387,047 acres
Bureau of Land Management (BLM) -	
TG-3	547,557 acres
TG-15	14,807 acres
Total	1,949,411 acres

In addition to the above RS program acres, there are approximately 650,000 acres of public domain lands to which no PILT and/or RS programs apply. The latter, of course, include the Indian reservations. The Federal acreage subject to revenue sharing includes the acreage subject to mineral leasing for which no specific data at the county level are available.

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the period 1957-1966. During this 10-year period total receipts increased over $3.7 million or 170% with the largest increase over $3.2 million, occurring in the category "Other Taxes and Revenues." While the rate of increase in property taxes exceeded the rate of increase in "Other Taxes and Revenues," the total amount, namely $716,000 in 1966, is only slightly over 12% of the total revenue.

The item "Other Taxes and Revenues" is understood to include substantial receipts from state programs which in part result from revenue sharing under the mineral leasing program, none of which is related directly to the county.

The county incurred vast new bonded indebtedness during the period 1957-1966. The net outstanding debt in 1966 was over 25 times greater than that in 1956, due mainly to school, water and sewer. The summary at the end of the case study digest contains the pertinent details.

Table No. C-1a shows that during the 1957-1966 period, state taxes increased 82% to $143 per capita, while local property taxes increased 232% to $27 per capita. State and local property taxes combined increased 96% per capita and 32% as a percent of EBI.

b. Expenditures: Table No. C-2 contains detailed data for expenditures incurred during the period 1957-1966. It shows that the largest share of expenditures, over 80% of the total, was incurred for education, although expenditures for highways and other items increased at a greater rate than those for education. Expenditures for highways of $43,000 in 1957 and $154,000 in 1966 in a county of Rio Arriba's size is surprising. It can only be assumed that the bulk of the burden for expenditures in all categories other than education has either fallen upon the state or that the services relating to such expenditures are at a very low level.

On a per capita basis, expenditures for highways and other items more than tripled while total expenditures per capita increased 163% during the 1957-1966 period.

c. Property Tax: The property tax base and the millage rate nearly doubled during the 10-year period 1957-1966. Table No. C-3 contains the detailed figures for this period. Assessment of rural properties increased at a lesser rate than did residential, commercial, and public utility properties. Mineral and timber properties actually declined, although the dollar amount of this decline is insignificant. The largest absolute increase occurred in the category "other" which includes possessory interests and leaseholds on Federal lands.

While grazing leases are not being taxed by the county, there are over $7.4 million in assessed values in oil and gas production leaseholds and improvements. These yielded almost $180,000 in property taxes in 1966. A large number of leases for miscellaneous purposes including antenna sites, well sites and access roads, reservoirs and ditches are not being taxed by the county. The summary at the end of the case study digest contains the pertinent figures.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: The FS administers two programs in the national forests and national grasslands in the county. Revenue sharing under the latter ceased as of 1963. The BLM administers grazing districts and grazing tracts under Sections 3 and 15 of the Taylor Grazing Act. Additionally, the BLM administers a large mineral leasing program on lands otherwise administered by the FS. In accordance with New Mexico state law, revenue sharing funds from the mineral leasing program are not rebated to the county. Rather they are assigned by the state directly to the Equalization Fund for general education where, on a basis of public school enrollment, they, with other funds, are redistributed, without consideration of the sources of the redistributed funds, to each of the school districts. Consequently, the data contained in Table No. C-4 are in a sense understated since they do not contain any of the revenues generated under the mineral leasing program. For the state as a whole, these revenues are significant. In 1957 the state obtained a total of just under $5.4 million for mineral leasing activities on some 7.6 million acres, a rate of 72¢/acre; these revenues increased by 1966 to just under $11.5 million on 8.3 million acres, resulting in a rate of 1.39/acre. If the latter figures were apportioned to Rio Arriba County, they would result in a substantial increase in the county's receipts from revenue sharing programs. The actual amount which might so be apportioned is not ascertainable since BLM has not been required to provide any information on the source of mineral leasing revenues by counties.

Table No. C-4 shows relatively small revenue shares with most of them originating in the national forests program.

b. Indirect Benefits: Although the State of New Mexico is eligible for the BPR Sliding Scale Highway Aid Program the regional BPR administrator has reported that none of the payments to the state were allocable to Rio Arriba County. See Table C-5.

c. Value of Free Goods and Services: The FS and BLM have made available considerable quantities of land and construction materials to the county. Based on the value of these tracts and materials furnished by the supplying agencies, their annual benefits were calculated to be $32,218. Details are shown in Table No. C-6.

d. Federal Facilities and Services Having Joint Use: Neither of the two Federal agencies report the county benefiting from the use of any of its facilities and services:

e. Resource Expenditures - Management: Both agencies, but primarily the FS, expended considerable sums within the framework of their resource programs in each year of the 10-year period. During the last five years, these expenditures more than doubled those of the preceding five years and resulted in an average of over $1.4 million per year. Table No. C-7 contains the summary of the resource expenditures for the 10-year period. Tables No. C-7a1 and 2 contain the details by expenditure category.

The survey of management functions performed by the two Federal agencies indicates that they are engaged in routine programs which include continued resource development. There is no indication that the agencies' activities are in any way related to a potential maximization of revenue sharing activities.

IV. Burdens to Local Government

a. Direct Burdens: Because a rather inadequate system of financial record-keeping by the county and other units of local government, it has been infeasible to ascertain the extent of the direct financial burden which is attributable to the presence of public lands.

b. Indirect Burden: The Federal lands' immunity to taxation by local government represents the loss of an important revenue source. An analysis of the Federal lands in this county shows reasonably high values for a portion of the timberlands and a portion of the grazing lands. Relating this to the economic activity in the county, it is reasonable to project that, if these lands were in private ownership, the assessed values shown in Table No. C-8 and the estimate of potential tax revenue might accrue. The figures computed in Table No. C-8 show a total tax potential of $145,132 which would represent an increase of about 20% in the prevailing receipts from property taxes.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: The Forest Fund revenues were reduced by reduction of specified costs from gross receipts; Table No. C-9 contains the detailed data. It shows that in 1966 over 20% of the gross receipts were applied to specified costs, resulting in a reduction of revenue sharing by $9,518 or approximately 25% of the amount shared.

Additionally the RS payments to the county have been reduced as a result of the FS's practice to reduce the value of the timber purchase contracts by the estimated cost of construction and reconstruction of harvest roads. If this reduction had not been made in 1966 -- it amounted to $26,000 -- the RS payment to the county would have been increased by $6,500.

d. Public Laws 815 and 874: The county has qualified for substantial aid under these laws in each of the years 1957-1966 except for aid under PL 815 in 1964. Table No. C-10 contains the detailed figures.

V. Impact of Present Systems

a. County Finance: The impact of the present system, excluding the aforementioned revenues accruing directly to the state from the mineral leasing program, can be summarized as follows (1966 figures):

Revenue Sharing (C-4)	$39,330
Free Goods and Services (C-6)	32,218
Total Direct Benefits	$71,548 = 4¢/acre

A comparison of these revenues with the potential tax revenue shown in Table No. C-8 indicates that the present system generates only approximately one-half the revenues which might be generated if the lands were in private ownership. However, recognizing the substantial payments accruing to the state from the mineral leasing program, which as stated earlier accrued in 1966 at a rate of $1.39/acre, the combined county-state benefits from the present system probably exceed those which would be available if the lands were in private ownership.

b. The Overview: The citizens of Rio Arriba County are currently engaged in a legal battle involving a large number of acres administered by and under the jurisdiction of the FS. These citizens contend that these lands do not belong to the public domain but are their personal property. As a result of this situation, relations between the county population and Federal officials engaged in land management are strained.

Generally, county officials are pleased with the Federal land management programs, although they complain about the effects of the wide fluctuations in the revenue sharing payments from timber sales. County officials have been questioned about their practice not to tax a variety of leases and possessory interests on Federal lands. They claim that due to their inability to obtain the necessary manpower, they have abstained from assessing and taxing these resources, except for mineral leases.

Other problems observed relative to the county's financial condition and its economic posture are generally unrelated to the programs and the lands within the scope of this study. They relate to the Indian reservations and other extraneous matters.

RIO ARRIBA, NEW MEXICO

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service)) BLM)	Mineral Leases	$7,460,831	$179,218
	Total	$7,460,831	$179,218

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Schools	$1,531,275	$ 983,000
Airport	28,000	28,000
Recreation	65,000	53,000
Water & Sewage	1,539,000	1,357,000
Total	$3,163,275	$2,421,000

Source: Rio Arriba County Audit Reports.

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TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Rio Arriba

STATE New Mexico

Year	Real Property1/ (1)	Personal Property1/ (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 163,287	$ 40,822	$ 204,109	$ 1,982,569	$ 2,186,678
1958	189,718	47,429	237,147	2,238,491	2,475,638
1959	231,390	57,847	289,237	2,670,934	2,960,171
1960	293,649	73,412	367,061	2,419,439	2,786,500
1961	318,674	79,668	398,342	2,461,910	2,860,252
1962	382,675	95,669	478,344	2,807,226	3,285,570
1963	415,668	103,917	519,585	4,283,943	4,803,528
1964	504,324	126,081	630,405	4,082,401	4,712,806
1965	521,384	130,346	651,730	4,590,218	5,241,948
1966	572,750	143,188	715,938	5,188,469	5,904,407
% incr./decr. '66 vs. 1st yr.	250.8	250.8	250.8	161.7	170.0

1/ Real and personal property taxes allocated, based on; Margaret Meaders, The Economy of Rio Arriba County, 1965.

Source: Rio Arriba County Audit Reports and Margaret Meaders, The Economy of Rio Arriba County, 1965.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME
1957 - 1966

COUNTY Rio Arriba

STATE New Mexico

YEAR	State Taxes ($000): Sales & Gross Receipts (1)	State Taxes ($000): Individual Income (2)	State Taxes ($000): Other[1] (3)	State Taxes ($000): Total[1] (4)	Total State Taxes: % of EBI (5)	Total State Taxes: Per Capita($) (6)	Local Property Taxes: % of EBI (7)	Local Property Taxes: Per Capita($) (8)	Total of State & Local Property Taxes: % of EBI (9)	Total of State & Local Property Taxes: Per Capita($) (10)
1957	1,083	76	836	1,995	11.57	78.26	1.18	8.00	12.75	86.26
1958	1,163	93	836	2,092	9.90	80.46	1.12	9.12	11.02	89.58
1959	1,298	111	948	2,357	9.59	84.48	1.18	10.37	10.77	94.85
1960	1,322	92	1,022	2,436	11.82	101.99	1.78	15.23	13.60	117.22
1961	1,297	106	1,106	2,509	10.97	104.54	1.74	16.60	12.71	121.14
1962	1,342	176	1,129	2,647	11.46	110.75	2.07	20.01	13.53	130.76
1963	1,406	212	1,297	2,915	11.44	112.98	2.06	20.14	13.50	133.12
1964	1,573	192	1,395	3,160	11.74	122.96	2.34	24.53	14.08	147.49
1965	1,728	238	1,539	3,505	12.15	133.27	2.26	24.78	14.41	158.05
1966	1,875	277	1,689	3,841	12.52	142.79	2.34	26.61	14.86	169.40

[1] Excludes Corporation Net Income Taxes.

Sources: Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col. (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Rio Arriba

STATE New Mexico

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditure Per Capita (5)
1957	$ 1,890,000	$ 42,914	$ 258,708	$ 2,191,622	$ 86
1958	2,127,828	83,000	286,155	2,496,983	96
1959	2,600,000	95,700	321,151	3,016,851	108
1960	2,313,947	121,322	377,786	2,813,055	117
1961	2,480,350	113,100	401,143	2,994,593	125
1962	2,729,563	144,043	415,796	3,289,402	138
1963	3,648,586	91,820	453,446	4,193,852	163
1964	4,490,888	101,789	534,148	5,126,825	199
1965	4,176,602	171,056	625,903	4,973,561	189
1966	5,152,888	153,795	784,278	6,090,961	226
% incr./decr.'66 vs. first year	172.6	258.4	203.2	177.9	162.8
% incr./decr.'66 vs. first year per capita	159.5	200.0	190.0	162.8	

Source: Rio Arriba County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

County Rio Arriba

State New Mexico

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial Industrial	(3) Public Utility	(4) Rural	(5) Mineral, Timb r Other Nat. Res.	(6) Personal 2/	(7) Other	(8) Total Assessed Value
1957 Assessed Value	$ 3,717,842	$3,129,624	$ 716,566	$2,875,780	$ 145,026	$	$ 5,257,666	$ 15,842,504
Aver Tax Rate 12.8 mills								
Item % of Total	23.5	19.8	4.5	18.1	0.9		33.2	100.0
1958 Assessed Value	3,838,999	4,827,534	780,076	2,928,107	129,522		6,658,156	19,162,394
Aver. Tax Rate 12.8 mills								
1959 Assessed Value	4,068,212	5,194,879	845,862	2,896,469	137,310		7,727,968	20,870,700
Aver. Tax Rate 13.9 mills								
1960 Assessed Value	4,151,329	6,128,256	1,028,375	2,936,966	187,130		9,134,448	23,566,504
Aver. Tax Rate 15.7 mills								
1961 Assessed Value	5,057,805	6,294,355	1,207,358	3,183,076	214,482		8,556,316	24,513,392
Aver. Tax Rate 16.4 mills								
1962 Assessed Value	5,035,788	6,528,621	1,393,167	3,386,017	177,039		7,727,633	24,313,973
Aver. Tax Rate 18.1 mills								
1963 Assessed Value	5,444,709	5,606,070	2,808,660	3,451,725	178,914		8,966,135	26,456,213
Aver. Tax Rate 20.3 mills								
1964 Assessed Value	5,413,975	5,771,997	3,177,132	3,445,897	186,964		10,750,989	28,746,954
Aver. Tax Rate 19.9 mills								
1965 Assessed Value	5,865,825	5,865,692	3,410,114	3,470,226	169,167		11,041,727	29,822,751
Aver. Tax Rate 20.7 mills								
1966 Assessed Value 1/	6,244,382	5,931,810	3,835,936	3,469,999	137,556		11,004,829	30,624,510
Aver Tax Rate 23.3 mills								
Item % of Total	20.4	19.4	12.6	11.3	0.4		35.9	100.0
Increase/Decrease 66 vs. '57	68.0	89.5	435.3	20.7	(5.2)		109.3	93.3

1/ Assessed value represents 33.3 percent of actual market value in 1966.
2/ Included in other items.
Source: State and/or Local Government [illegible] Reports, estimates and allocations by EBRMC.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-6
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = NEW MEXICO COUNTY = RIO ARRIBA										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	32439	34692	45241	53737	21381	25676	21335	22354	26570	37761
PERCENT BASE YEAR	100.0	106.9	139.4	165.7	65.9	79.2	65.8	68.9	81.9	116.4
PROGRAM ACREAGE	1261120	1261120	1261055	1261055	1261055	1261055	1366960	1366950	1337216	1387047
REVENUE $ PER ACRE	0.03	0.03	0.04	0.04	0.02	0.02	0.02	0.02	0.02	0.03
NM & ARIZ NAT FORESTS										
FEDERAL PAYMENTS ($)	83	87	110	130	51	62	48	45	48	63
PERCENT BASE YEAR	100.0	104.8	132.5	156.6	61.4	74.7	57.8	54.2	57.8	75.9
TAYLOR GRAZE SECT 15 *										
FEDERAL PAYMENTS ($)	NA	NA	NA	117	14	171	59	246	105	129
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	12.0	146.2	50.4	210.3	89.7	110.3
TAYLOR GRAZE SECT 3										
FEDERAL PAYMENTS ($)	NA	NA	NA	916	886	916	697	1204	1266	1319
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	96.7	100.0	76.0	130.5	138.3	144.0
PROGRAM ACREAGE	NA	NA	NA	496880	476382	508956	504120	508065	493660	567557
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	32522	34779	45351	54900	22332	26823	22139	23909	27996	39272
PERCENT BASE YEAR	100.0	106.9	139.4	168.8	68.7	82.5	68.1	73.5	86.1	120.8
PROGRAM ACREAGE	1261120	1261120	1261055	1757915	1756243	1768009	1895080	1895021	1880656	1954604
REVENUE $ PER ACRE	0.03	0.03	0.04	0.03	0.01	0.02	0.01	0.01	0.01	0.02

NA = data not available.

*Total land available under program in 1966 was [illegible] acres.

Revenues per acre in dollars have been truncated to the nearest cent; e.g., $0.068 is shown as $0.06. Revenues per acre for all programs combined are affected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4A
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS.NON SECTION 10 LANDS
(AND TOTALS FOR ALL SECTION 10 AND NONSECTION 10 PROGRAMS)

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = NEW MEXICO COUNTY = RIO ARRIBA										
NATL GRASSLANDS (USDA)										
FEDERAL PAYMENTS ($)	923	599	1958	15	894	246	0	0	0	0
PERCENT BASE YEAR	100.0	64.9	212.1	1.6	96.9	26.7	0.0	0.0	0.0	0.0
PROGRAM ACREAGE	152693	151973	119093	4381	119093	125209	0	0	0	0
REVENUE $ PER ACRE	0.01	0.00	0.02	0.00	0.01	0.00	0.00	0.00	0.00	0.00
NATL GRASSLANDS (BLM)										
FEDERAL PAYMENTS ($)	NA	NA	120	43	47	75	356	15	58	58
PERCENT BASE YEAR	0.0	0.0	100.0	35.8	39.2	62.5	296.7	12.5	48.3	48.3
PROGRAM ACREAGE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ALL SECTION 10 & NONSECTION 10 PROGRAMS										
FEDERAL PAYMENTS ($)	33445	35378	47479	54956	23271	27144	22493	23924	28054	39330
PERCENT BASE YEAR	100.0	105.8	142.0	164.3	69.6	81.2	67.2	71.5	83.9	117.6
PROGRAM ACREAGE	1413813	1413093	1380948	1761096	1875336	1894018	1895088	1895021	1880656	1934604
REVENUE $ PER ACRE	0.02	0.02	0.03	0.03	0.01	0.01	0.01	0.01	0.02	0.02

C34-13

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID, BPR SLIDING SCALE PROGRAM, TO COUNTY

COUNTY Rio Arriba

STATE New Mexico

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ NA	$ 0
1958	NA	0
1959	NA	0
1960	NA	0
1961	NA	0
1962	NA	0
1963	NA	0
1964	NA	0
1965	NA	0
1966	1,404,069	0

Source: U.S. Bureau of Public Roads, allocation by EBSMC.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Rio Arriba

STATE: New Mexico

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Land	$ 6,563
	Water Supply	86
BLM	Land	9,714
	Construction Materials	15,855
	Total	$32,218

Source: Federal Agencies' Field Offices, EBSMC Estimates.

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County **Rio Arriba**

State **New Mexico**

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 404,942	$ 348,248	$ 753,190
1958	462,704	429,703	892,407
1959	595,071	273,979	869,050
1960	606,558	280,306	886,864
1961	638,148	290,612	928,760
1962	1,070,044	341,747	1,411,791
1963	1,322,760	1,083,096	2,405,856
1964	1,112,890	1,044,973	2,157,863
1965	1,169,366	870,874	2,040,240
1966	1,319,532	1,037,904	2,357,436
Average Year	870,202	600,144	1,470,346
Item % of Total, Average Year	59.2	40.8	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Sierra & Santa Fe National Forests

County Rio Arriba

State New Mexico

TABLE NO. C-7a

Page 1 of 2

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$108,558	$ 70,319	$ 1,406	$ 255,490	$ 70,320	$ 496	$ 39,230	$ 944	$ 156,427	$ 703,190
1958	74,207	75,457	1,677	283,865	83,840	295	43,771	3,870	271,425	838,407
1959	101,972	78,567	1,780	291,252	113,713	2,333	51,153	1,120	169,160	811,050
1960	141,414	66,418	9,047	291,858	93,461	2,748	40,209	1,184	217,525	863,864
1961	91,392	95,678	11,728	209,678	111,410	27,988	63,458	6,349	267,383	865,760
1962	99,347	156,732	40,178	212,656	129,071	312,432	104,905	24,712	287,337	1,336,791
1963	181,104	195,375	35,508	427,627	192,362	333,247	133,661	23,188	774,763	2,296,856
1964	91,751	114,097	29,156	509,019	143,711	169,343	117,346	9,291	858,149	2,041,863
1965	110,319	223,560	44,551	545,291	278,417	106,245	151,761	27,903	442,191	1,930,240
1966	140,138	218,454	50,225	415,228	254,068	108,740	199,763	35,901	800,930	2,223,436

Source: Federal Agencies' Field Offices.

Federal Agency Interior - BLM

Program All

County Rio Arriba

State New Mexico

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection1/	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife1/	Other	Total Resource Expenditure
1957	$	$ 26,850	$ 3,700	$ 0	$ 0	$ 0	$ 0	$	$ 19,450	$ 50,000
1958		25,648	4,588	0	0	0	0		23,764	54,000
1959		33,002	4,989	0	0	0	0		20,009	58,000
1960		36,352	3,648	0	0	0	0		10,000	50,000
1961		42,335	5,920	0	0	0	0		14,745	63,000
1962		41,250	6,227	0	0	0	0		27,523	75,000
1963		51,122	4,033	0	0	0	0		53,845	109,000
1964		78,999	6,379	1,276	0	0	0		29,346	116,000
1965		73,038	4,731	2,858	0	0	9,462		19,911	110,000
1966		80,940	5,764	2,942	0	0	11,529		32,825	134,000

1/ Allocation for fire protection and wildlife expenditures not available at source, included in other.

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Rio Arriba

STATE New Mexico

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
BLM						
Timber and Pasture Land	$ 20.00	65,079	$ 1,301,580	20.0	$ 26,032	40¢
Rough Grazing Land	2.00	497,285	994,570	20.0	19,891	4
Forest Service						
Meadow (dry)	35.00	21,955	768,425	20.0	15,369	70
Meadow (wet)	45.00	4,439	199,755	20.0	3,995	90
Dry Land	2.00	1,201,781	2,403,562	20.0	48,071	4
Grazing	10.00	158,872	1,588,720	20.0	31,774	20
Totals	$ 3.71	1,949,411	$ 7,256,612	20.0	$ 145,132	7¢

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies.

Source: Col (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials. EBSMC Estimates.

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Federal Agency US Forest Service

Revenue Sharing Program Carson & Santa Fe National Forests (25%)[a]

County Rio Arriba

State New Mexico

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 × a/)
1957	$ 152,222	$ 22,462	$ 129,760	$ 32,440	$ 5,616
1958	157,669	18,895	138,774	34,694	4,724
1959	208,360	27,190	181,170	45,292	6,798
1960	249,049	34,098	214,951	53,738	8,524
1961	107,830	22,303	85,527	21,382	5,576
1962	124,370	21,664	102,706	25,676	5,416
1963	99,062	13,714	85,348	21,337	3,428
1964	109,897	20,476	89,421	22,355	5,119
1965	135,747	29,429	106,318	26,579	7,357
1966	189,120	38,071	151,049	37,762	9,518

Source Federal Agencies' Field Offices.

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County Rio Arriba

State New Mexico

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACIED AREAS

		P.L. 815		P.L. 874	
Years	Total School Budget	Aid Provided	% of Total Budget	Aid Provided	% of Total Budget
1957	$ 1,890,000	$ 1,299,638	68.76	$ 63,670	3.37
1958	2,127,828	1,343,444	63.13	49,223	2.31
1959	2,600,000	1,343,335	51.67	67,485	2.60
1960	2,313,947	1,343,335	58.05	64,741	2.80
1961	2,480,350	1,343,335	54.16	151,755	6.12
1962	2,729,563	132,787	4.86	199,923	7.32
1963	3,648,586	93,114	2.55	221,422	6.07
1964	4,490,888	0	0	230,796	5.14
1965	4,176,602	114,905	2.75	260,289	6.23
1966	5,152,888	217,082	4.21	388,219	7.53

Sources: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

C34-21

CASE COUNTY DIGEST
SIERRA, NEW MEXICO

I. The County

a. General Description: Sierra is a medium-sized sparsely populated county located in the southwestern part of the state, approximately 65 miles from the Arizona border and 60 miles from the Mexican border. The county seat is Truth or Consequences, the only municipality in the county. The county has one school district and one special district, the Lake Shore Sanitation District, which has never functioned and is being disbanded. County and municipal governments together provide a full range of governmental services and overlap in virtually all their functions except for certain municipal services such as refuse collection, street construction and maintenance, sanitation facilities, and utility operations which are provided by the municipality only, and certain other services such as welfare covering indigent care only and highway construction and maintenance which are provided by the county only. There is one privately operated church hospital in the county.

All tax assessment is provided by the county, except for the assessment of corporate properties which is provided by the state.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	6,409	1966	2	7,200	12.3
Urban[1]	1960	1	4,268	1966	2	4,800	12.5
Rural	1960	1	2,141	1966	2	2,400	12.1
Employment	1959	3	524	1966	3	590	12.6
Effective Buying Income ($000)	1960	2	9,116	1966	2	14,305	56.9
Per Capita EBI ($)	1960	2	1,447	1966	2	1,987	37.3
Public School Enrollment (K-12)	1960	1	1,080	1965	4	1,400	29.6

1/ Includes areas of 2,500 people or more.

Sources: See Page C35-2

These figures show a modest growth in population and employment during the 1960-1966 period. Total effective buying income and per capita EBI increased at a substantially greater rate. Public school enrollment (K-12) increased at over twice the rate of the population; however, the 1965 figure indicates a relatively low ratio of student enrollment to total population.

c. The Land: The total land area of the county comprises approximately 2.7 million acres. Of these, about 1.2 million acres or approximately 45% are in Federal ownership and subject to RS provisions. In addition, the White Sands Missile Range is located on permanently withdrawn Federal land in the county. (The withdrawal occurred in 1950; acreage figures are not available.)

The land subject to RS programs is composed of:

Forest Service (FS)	- Gila National Forest	378,665 acres
Bureau of Land Management (BLM)	- Inside Grazing, TG-3	807,468 acres
	- Outside Grazing, TG-15	12,907 acres
	- Total	1,199,040 acres

II. County Finance

a. **Revenue**: Table No. C-1 contains detailed revenue data for the period 1957-1966. The increase in 1965 of more than $750,000 over the previous year is due to receipts from a bond issue which are also reflected in the expenditures for that year.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

While in 1956 the county's only outstanding bonded indebtedness consisted of two issues for general county purposes amounting to a total of $90,000, in 1966 the face value of outstanding debt had increased to $2.1 million with an outstanding balance of $1.6 million. Approximately $686,000 of this new debt was incurred for school construction and the balance was for sewage and water projects. A summary of the bonded indebtedness is appended at the end of the case study digest.

Property tax collections have typically accounted for less than 18% of total receipts. The relationship between local property tax and state taxes is shown in Table No. C-1a. Though it shows that local property tax increased as a percent of EBI from 2.9 in 1957 to 4.1 in 1966, an increase of over 40%, the share of local property taxes of total tax collections, state and local, is less than 19%. Overall, taxes decreased as a percent of total EBI by 8%, while in per capita terms they increased during the 10-year period by 35%.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the period 1957-1966. The increase in total expenditures rose by 75% but by only 19% on a per capita basis. Expenditures for education increased by 137%, much more than for highways and "Other Expenditures".

c. Property Taxes: Table No. C-3 contains detailed data for the assessed value of property subject to tax for the period 1957-1966. It shows a modest increase in the total assessed value, approximately $2.1 million or 23%. The largest share of the increase stemmed from public utilities, the assessed valuation of which increased by about $1.1 million or 380%. The assessed value of commercial and industrial properties declined as did the assessed value for timber and other natural resources.

Included in the assessed value are assessments of gas leases which are estimated to have had a total assessed value in 1966 of about $51,000, yielding an estimated $1,390 in tax revenues. A summary of these figures is included at the end of the case study digest.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: Table No. C-4 contains the 10-year data to the extent that these are available for the applicable acreages and payments. During the 10-year period total RS payments were small, reaching a high in 1960 of $16,300 and, during the last four years of the study period, averaging slightly less than $9,000. Well over half the total payments to the county were derived from national forest revenues.

b. Indirect Benefits: Although the State of New Mexico is eligible to participate in the BPR Sliding Scale Highway Aid Program, no allocations were made to Sierra County during any year of the 10-year period.

c. Value of Free Goods and Services: The county has obtained the free use of rights-of-way, other land tracts, and construction materials. Table No. C-6 contains an estimate of the annual value of these free goods and services provided by the two land managing agencies in the county, amounting to an estimated annual value of $4,712.

d. Federal Facilities and Services Having Joint Use: Neither of the two Federal agencies has reported the use of their facilities by the county.

e. Resource Expenditures - Management: Both Federal agencies made considerable resource expenditures during each of the years of the study period. Table No. C-7 contains a summary of the resource program expenditures. It shows a constant increase in total expenditures except in 1964, with a new high of expenditures having been reached in 1966. Of the average annual expenditure of $329,000, approximately 25% was devoted to capital items. Tables No. C-7a1 and C-7a2 contain expenditure details for each agency by expenditure category.

The management activities of both agencies comprise the full range of administrative and resource development functions. Both agencies have reported that their activities are not influenced by the RS provisions.

IV. Burdens to Local Government

a. Direct Burdens: The county has identified a variety of financial burdens attributable to the presence of public land. Excluding the burden related to education expenditures attributable to the presence of employment on non-RS subject land (the missile range), the following financial burdens, net of reimbursement by Federal aid, have been identified:

Maintenance of Roads	$60,000
Law Enforcement	4,000
Fire Protection	1,000
Nursing and First Aid	1,900
Total	$66,900

These financial burdens substantially exceed cash and in-kind benefits obtained by the county from these same Federal lands.

b. Indirect Burden: The Federal lands in the county are classified by the two managing agencies as grazing lands. As such, they would have relatively low assessed values if they were in private ownership and would provide potential tax revenues estimated to yield approximately $40,108 per year. Table No. C-8 contains the detailed estimate of assessed value and potential tax revenue. It results in an average tax revenue of approximately 3¢/acre.

c. Loss In Revenue as a Result of Sharing Net Versus Gross: The Forest Service collected K-V Funds in each of the 10 study years. These collections were of relatively small magnitude and in 1966 represented less than 4% of gross receipts. The resulting revenue share "lost" is also correspondingly small and varied from the high in 1961 of $838 to a low of $128 in 1963. Table No. C-9 contains the detailed figures for the 10-year period.

d. Public Laws 815 and 874: Table No. C-10 shows the amounts received by the county from Federal aid under PL 874 during the years 1959-1966.

V. Impact of Present System

a. County Finance: The present revenue sharing provisions, including the value of free goods and services, have had a negative impact upon county finance. Reported county expenditures attributable to the presence of public land exceed both direct and indirect benefits derived by the county. The 1966 figures are as follows:

Revenue Sharing (C-4)	$ 9,218
Free Goods and Services (C-6)	4,712
Total Direct Benefits	$13,939

From the above figures must be deducted the financial burdens resulting from the existence of public land:

Direct Burden (IV.a.)	$66,900
Resulting Net Direct Loss	$52,961

This loss is equal to 4¢/applicable acre, whereas the estimate of potential tax revenue, if the lands were in private ownership, shows a potential net benefit of 3¢/acre.

b. The Overview: County officials have pointed out that as a result of the Federal land management activities they have not obtained any net direct or indirect benefits. While the technical competence of the Federal land management agencies is generally conceded, their efforts have not resulted in significant direct or indirect economic benefits. It was specifically mentioned that while camping and hunting activities upon the Federal lands increased substantially during recent years, the county does not derive any benefit from the recreational use of land. Their studies reportedly show that campers and hunters carry with them all needed supplies and their visitation does not result in appreciable local expenditures. Contrarily, they create a heavy burden on county road maintenance, policing, and other county expenditures.

Likewise, county officials complained about the restrictions of Federal agency policies in respect to grazing privileges and mineral exploration. They stated the view that if these lands were in private ownership, considerably greater volumes of activities would result with the attending benefits to county finance, although this statement was not documented.

In addition, the missile range has, in effect, cut off the east-west access to Sierra County resulting in a further claim of restriction upon the county's socioeconomic development.

SIERRA, NEW MEXICO

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service) BLM)	Mineral	$50,790	$1,390[1]
	Total	$50,790	$1,390

1/ County Recorder does not distinguish between taxes collected from Federal and private lands and has no means of estimating. There are however 73 oil and gas leases assessed at $50,790. Utilizing a tax rate of $25.6/1000 from table C-8, the tax collected for oil and gas leases is $1,390.

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Water & Sewage	$1,319,000	$1,115,000
Schools	686,000	479,000
Other	100,000	35,000
Total	$2,105,000	$1,629,000

Source: Sierra County Audit Reports.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Sierra

STATE New Mexico

Year	Real 1/ Property (1)	Personal 1/ Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 129,095	$ 32,274	$ 161,369	$ 869,761	$ 1,031,130
1958	131,193	32,798	163,991	872,132	1,036,123
1959	141,821	35,455	177,276	865,947	1,043,223
1960	137,315	34,329	171,644	940,783	1,112,427
1961	129,838	32,460	162,298	953,970	1,116.268
1962	135,840	33,960	169,800	1,070,639	1,240,439
1963	139,098	34,774	173,872	1,397,430	1.571,302
1964	139,014	34,754	173,768	1,315,679	1.489,447
1965	217,570	54,393	271,963	1,972,077	2.244,040
1966	234,635	58,659	293,294	1,394,033	1.687.327
% incr./decr. '66 vs. 1st yr.	81.8	81.8	81.8	60.3	63.7

1/ Allocation between real and personal property tax estimated, specific figures for each not available at source.

Source: Sierra County Audit Reports.

C35-8

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME
1957 - 1966

COUNTY Sierra

STATE New Mexico

YEAR	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
	Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita
1957	442	24	160	626	11.18	127.76	2.88	32.93	14.06	160.69
1958	523	28	165	716	11.13	143.20	2.54	32.80	13.67	176.00
1959	463	38	207	708	8.40	116.07	2.10	29.06	10.50	145.13
1960	481	41	267	789	8.66	125.24	1.88	27.25	10.54	152.49
1961	447	49	286	782	7.32	126.13	1.52	26.18	8.84	152.31
1962	466	82	288	836	7.79	137.05	1.58	27.84	9.37	164.89
1963	497	105	352	954	7.54	136.29	1.37	24.84	8.91	161.13
1964	600	74	375	1,049	7.90	152.03	1.31	25.18	9.21	177.21
1965	655	111	386	1,152	8.54	174.55	2.02	41.21	10.56	215.76
1966	682	132	452	1,266	8.85	175.83	4.07	40.74	12.92	216.57

1/ Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Sierra

STATE New Mexico

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$ 442,000	$ 81,152	$ 574,901	$ 1,098,053	$ 224
1958	447,177	99,667	589,851	1,136,695	227
1959	450,000	93,840	548,204	1,092,044	179
1960	514,514	115,194	585,816	1,215,524	193
1961	498,664	96,718	607,400	1,202,782	194
1962	524,347	121,976	646,819	1,293,142	212
1963	558,759	128,133	912,019	1,598,911	228
1964	606,201	117,903	746,949	1,471,053	213
1965	1,349,871	102,793	725,040	2,177,704	330
1966	1,047,371	119,490	750,809	1,917,670	266
% incr./decr.'66 vs. first year	137.0	47.2	30.6	74.6	18.8
% incr./decr.'66 vs. first year per capita	61.1	0	(11.1)	18.8	

Source: Sierra County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

County Sierra

State New Mexico

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial, Industrial	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal 2/	(7) Other 2/	(8) Total Assessed Value
1957 Assessed Value	$ 5,499,844	$ 1,608,103	$ 285,898	$ 1,948,656	$ 59,737	$	$	$ 9,402,238
Aver. Tax Rate 17.2 mills								
Item % of Total	58.6	17.1	3.0	20.7	0.6			100.0
1958 Assessed Value	5,366,938	1,577,617	373,860	2,146,070	77,131			9,541,616
Aver. Tax Rate 17.2 mills								
1959 Assessed Value	5,552,334	1,567,739	420,324	1,993,912	60,989			9,595,298
Aver. Tax Rate 18.5 mills								
1960 Assessed Value	5,562,995	1,556,165	548,024	2,003,574	68,180			9,738,938
Aver. Tax Rate 17.8 mills								
1961 Assessed Value	5,549,069	1,574,625	874,455	2,243,838	58,183			10,300,170
Aver. Tax Rate 15.9 mills								
1962 Assessed Value	5,586,140	1,608,639	878,638	2,303,723	51,133			10,428,273
Aver. Tax Rate 16.4 mills								
1963 Assessed Value	5,704,562	1,514,008	852,778	2,305,726	54,129			10,431,203
Aver. Tax Rate 16.8 mills								
1964 Assessed Value	5,831,058	1,496,280	1,006,093	2,445,595	54,348			10,833,374
Aver. Tax Rate 16.2 mills								
1965 Assessed Value	5,905,308	1,496,446	1,054,174	2,573,754	54,588			11,084,270
Aver. Tax Rate 24.6 mills								
1966 Assessed Value 1/	5,933,368	1,496,466	1,372,977	2,714,286	55,587			11,572,684
Aver. Tax Rate 25.6 mills								
Item % of Total	51.2	12.9	11.9	23.5	0.5			100.0
Increase/Decrease '66 vs. '57	7.9	(6.9)	380.0	39.3	(6.9)			23.1

1/ Assessed value represents 33.3 percent of actual market value in 1966.
2/ Included in other items.
Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

C35-11

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = NEW MEXICO COUNTY = SIERRA										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	5967	6368	10153	16328	3859	3907	5957	5797	5608	6250
PERCENT BASE YEAR	100.0	106.7	170.2	273.6	64.7	65.5	99.8	97.2	94.0	104.7
PROGRAM ACREAGE	380281	380281	380322	380322	380322	378962	378682	378665	378665	378665
REVENUE $ PER ACRE	0.02	0.02	0.03	0.04	0.01	0.01	0.02	0.02	0.01	0.02
NM & ARIZ NAT FORESTS										
FEDERAL PAYMENTS ($)	15	16	25	40	10	9	14	12	10	11
PERCENT BASE YEAR	100.0	106.7	166.7	266.7	66.7	60.0	93.3	80.0	66.7	73.3
TAYLOR GRAZE SECT 15 *										
FEDERAL PAYMENTS ($)	NA	NA	NA	296	438	402	326	316	295	362
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	148.0	135.8	110.1	106.8	99.7	122.3
TAYLOR GRAZE SECT 3										
FEDERAL PAYMENTS ($)	NA	NA	NA	2436	1887	1678	2744	2878	2611	2604
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	77.5	68.9	112.6	118.1	107.2	106.9
PROGRAM ACREAGE	NA	NA	NA	832760	789336	795718	795713	800800	796916	807468
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	5982	6384	10178	19100	6194	5996	9041	9003	8524	9227
PERCENT BASE YEAR	100.0	106.7	170.1	319.3	103.5	100.2	151.1	150.5	142.5	154.2
PROGRAM ACREAGE	380281	380281	380322	1213082	1169658	1174680	1174395	1179465	1175581	1186133
REVENUE $ PER ACRE	0.02	0.02	0.03	0.02	0.01	0.01	0.01	0.01	0.01	0.01

NA = data not available. This county does not have any Nonsection 10 land programs.

*Total land available under program in 1966 was 12,907 acres.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

035-12

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Sierra

STATE: New Mexico

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Borrow Pits	$ 580
	Rights-of-way	1,168
	Cemetary	100
	Dump Grounds	24
	Easements: Water, Trash	40
BLM	Dump Site	2,800
	Total	$ 4,712

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County Sierra

State New Mexico

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 146,860	$ 28,779	$ 175,639
1958	169,551	45,955	215,506
1959	176,526	69,298	245,824
1960	200,210	67,759	267,969
1961	213,018	41,923	254,941
1962	233,777	76,476	310,253
1963	319,120	112,743	431,863
1964	315,346	105,514	420,860
1965	320,584	114,870	435,454
1966	387,879	144,661	532,540
Average Year	248,287	80,798	329,085
Item % of Total, Average Year	75.4	24.6	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Cibala and Gila National Forests

County Sierra

State New Mexico

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Page 1 of 2

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 25,410	$ 9,147	$ 200	$ 28,967	$ 8,147	$ 0	$ 912	$ 459	$ 28,397	$ 101,639
1958	34,376	12,375	300	39,189	11,000	2	5,189	454	44,621	137,506
1959	40,399	16,565	404	54,096	12,195	15	5,740	443	30,967	160,824
1960	72,862	19,959	399	54,795	14,935	12	4,182	909	23,916	191,969
1961	65,703	19,516	130	18,665	14,592	30	5,444	851	38,010	162,941
1962	58,009	26,809	3,049	36,398	11,813	116	8,248	2,913	53,898	201,253
1963	73,667	28,192	6,297	40,744	18,661	0	16,390	2,401	85,511	271,863
1964	58,530	17,041	2,748	66,105	15,850	30	11,350	1,563	77,643	250,860
1965	72,175	36,690	6,726	66,493	17,924	47	18,714	3,788	51,897	274,454
1966	94,499	33,375	3,361	78,475	13,370	744	25,379	4,790	82,547	336,540

Source: Federal Agencies' Field Offices.

C35-15

Federal Agency Interior - BLM

Program All

County Sierra

State New Mexico

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Reforestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ NA	$ 40,258	$ 7,476	$ 0	$ 0	$ 0	$ 0	$ NA	$ 26,266	$ 74,000
1958	NA	36,665	9,201	0	0	0	0	NA	32,134	78,000
1959	NA	48,448	8,922	0	0	0	0	NA	27,630	85,000
1960	NA	55,100	7,600	0	0	0	0	NA	13,300	76,000
1961	NA	61,361	9,849	0	0	0	0	NA	20,790	92,000
1962	NA	60,055	11,010	0	0	0	0	NA	37,935	109,000
1963	NA	75,355	9,438	0	0	0	0	NA	75,207	160,000
1964	NA	116,283	11,556	2,550	0	0	0	NA	39,611	170,000
1965	NA	106,418	8,527	4,673	0	0	14,163	NA	27,219	161,000
1966	NA	118,774	9,609	4,893	0	0	17,437	NA	45,287	196,000

C35-16

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Sierra

STATE New Mexico

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Grazing	$ 1.50	378,665	$ 567,997	22.3	$ 12,666	3¢
BLM						
Grazing	1.50	820,375	1,230,563	22.3	27,442	3
Totals	$ 1.50	1,199,040	1,798,560	22.3	$ 40,108	3¢

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

(35-17)

Federal Agency **US Forest Service**
Revenue Sharing Program **Cibala & Gila National Forests** (25%)[a/]
County **Sierra**
State **New Mexico**

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 x a/)
1957	$ 26,006	$ 2,134	$ 23,872	$ 5,968	$ 534
1958	27,610	2,134	25,476	6,369	534
1959	44,519	3,906	40,613	10,153	976
1960	68,280	2,963	65,317	16,329	741
1961	18,790	3,350	15,440	3,860	838
1962	16,695	1,062	15,633	3,908	266
1963	24,344	513	23,831	5,958	128
1964	26,250	3,059	23,191	5,798	765
1965	23,650	1,214	22,436	5,609	304
1966	26,006	1,002	25,004	6,251	250

Source **Federal Agencies' Field Offices.**

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County **Sierra**

State **New Mexico**

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

Years	Total School Budget	P.L. 815 Aid Provided	P.L. 815 % of Total Budget	P.L. 874 Aid Provided	P.L. 874 % of Total Budget
1957	$ 0	$ 0	0	$ 0	0
1958	0	0	0	0	0
1959	450,000	0	0	9,285	2.06
1960	514,514	0	0	8,875	1.72
1961	498,664	0	0	7,361	1.48
1962	524,347	0	0	7,183	1.37
1963	558,759	0	0	8,817	1.58
1964	606,201	0	0	12,740	2.10
1965	1,349,871	0	0	10,309	.76
1966	1,047,371	0	0	17,000	1.62

Sources. Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

CASE COUNTY DIGEST
CHEROKEE, NORTH CAROLINA

I. The County

a. General Description: Cherokee is a small rural county located in the southwestern part of the state bordering both Tennessee and Georgia. The county seat is Murphy which is one of the two municipalities in the county. The county contains two school districts and no special districts. Although there are no special districts, the county and the two municipalities handle the functions that special districts normally perform, such as fire protection, resource improvement, sanitation and refuse collection.

Government activities by the county and the municipalities are overlapping, both engaged in separate tax assessment and collection although both depend upon the assessment calculations made by a private out of state reassessing firm. The county provides a variety of governmental functions and services not provided by the municipalities such as health and welfare, hospital operations and primary and secondary education.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	16,335	1966	2	16,100	-1.4
Urban[1/]	1960	1	0	1966	2	0	0
Rural	1960	1	16,335	1966	2	16,100	-1.4
Employment	1959	3	1,685	1966	3	3,516	108.7
Effective Buying Income ($000)	1960	2	16,335	1966	2	20,892	27.9
Per Capita EBI ($)	1960	2	1,008	1966	2	1,298	28.8
Public School Enrollment (K-12)	1960	1	4,358	1965	4	4,100	-5.9

1/ Includes areas of 2,500 people or more.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

These figures show a small decline in population during the 1960-1966 period. Contrarily, employment increased very substantially during this period, reaching a level approximating 22% of total population. Of the total employed in 1966, over 2,000 were employed in manufacturing operations. The large increase in total employment between 1959 and 1966 is attributable to new plant locations. Total effective buying income and per capita EBI increased at a much lesser rate than employment per capita EBI, although it increased by 29% by 1966, is still substantially below the national average.

Public school enrollment (K-12) declined at a somewhat greater rate than total population and, at the end of 1965, represented slightly less than 26% of county population.

b. The Land: The county's 290,560 acres contain nearly 30% or 89,000 acres of Federally owned land. The Federal agencies and respective acreages (1966 figures) are:

Forest Service (FS)	81,579 acres
Tennessee Valley Authority (TVA)	7,160 acres
Total	88,739 acres

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the 1957-1966 period. During this period, total receipts increased by 65% with an almost even distribution of the rate of increase in all revenue categories. Property taxes account for only slightly over 24% of total county revenues (in 1966) while the balance is obtained from "Other Taxes and Revenues". Included in this latter revenue category are the receipts from revenue sharing from the FS and the combined PILT and RS of TVA and its distributors. It also includes the amounts received from TVA by the state and rebated in full to the county. RS payments of the FS in 1966 and the direct, including rebated, payments of TVA accounted for approximately 5% of total county receipts.

During the period 1956 to 1966 the county's total bonded indebtedness declined by approximately $140,000 and the summary appended at the end of the case study digest contains details on the face value and the outstanding debt as of 1966.

Total expenditures per capita were very modest and, although during the 10-year period they increased by 71%, only reached by 1966 a $65 per capita level. Conversely, as Table No. C-1a shows, total state and local taxes increased, during the 10-year period, at a rate of 83%, and represented in 1966 nearly 21% of EBI. The rate of increase in state and local taxes was substantially the same.

b. Expenditures: Total county expenditures increased at a somewhat lesser rate than receipts during most of the years 1957 to 1966. Table No. C-2 contains detailed expenditure data for this period. It shows a reduction in expenditures for highways and an increase in the expenditures for all other categories.

c. Property Tax: The tax rolls of Cherokee County and its units of local government do not contain any detail as to the type of property for which tax assessments are and have been made. This deficiency in record keeping has been recognized by county officials and, according to their statement, a special project to provide for categorized tax rolls is underway. Unfortunately, however, for the purposes of this study only total figures reflecting total assessed values of real and personal properties subject to ad valorem taxes were available. These figures are contained in Table No. C-3. They show that during the 10-year period the county's total assessed values almost doubled although, as shown in Table No. C-1, collection of taxes from real and personal property increased by only 61%. It is understood that, due to the low income levels, the county citizens' inability to continue the payment of ad valorem taxes at rates equivalent to earlier years was reflected in a reduction in the applicable millage rates.

Included in the tax base are the assessed values of certain leaseholds on FS lands. The summary at the end of the case study digest shows that their current assessed value was estimated at $27,500, yielding tax revenues of about $500.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: The county benefits from PILT and RS programs of the FS and the TVA. These two programs differ substantially although both comprise a revenue sharing concept. Revenue sharing from the national forest is, of course, directly related to the acreage to which it applies and the economic activities thereon. Conversely, the TVA combined PILT and RS program bears no direct relationship to the acreage of TVA properties in the county. This program is explained and analyzed in detail in section V.b. of this study digest. For purposes of this case study the applicable direct benefits to the county, which include direct payments by the TVA to the county, one municipality, and the rebating of payments made by TVA to the state, have been included in Table No. C-4, which provides these figures for the 10-year period. It also contains acreage and RS figures for the FS program.

During the 10-year period total payments to the county, as defined, increased 50% with the entire increase emanating from the TVA program. FS RS payments fluctuated significantly from a low of $10,500 in 1961 to a high of $19,100 in 1960. The 1966 payments were about the same as those for 1957, although the 1961-1965 payments were much less than the level attained in 1957.

Due to the peculiar nature of the generation of TVA electricity and its distribution, it is necessary to consider as a benefit to the county, the in lieu of tax payments made by TVA's distributors. The rationale for this treatment is also explained and analyzed in detail in Section V.b. Since absolute figures for the in lieu of tax payments by TVA distributors in Cherokee County were not available, the assumption was made that they were in the same relationship as was found for all states and counties in which TVA power is distributed. That relationship during the last three study years, i.e. 1964-1966, was a factor of 9.27 for TVA's direct payments and 16.1 for its distributors; thus, distributor payments amounted to 174% of those made by TVA. Applying this relationship to the payments made by TVA in 1966, an additional benefit to the county totaling $70,458, or a total of combined TVA benefit of $111,028 results.

b. Indirect Benefits: The State of North Carolina is not eligible for the BPR sliding scale program.

c. Value of Free Goods and Services: The county has obtained the free use of some small tracts of land. Based on estimates of the supplying agency of the value of these lands, it was calculated that their annual benefit amounted to approximately $430. Table No. C-6 contains the pertinent data.

d. Federal Facilities and Services Having Joint Use: Neither of the two Federal agencies reported the use by the county of any Federally owned and operated facilities.

e. Resource Expenditures - Management: During the years 1959-1966 (data for the years 1957-1958 not available) the FS expended varying amounts within the framework of its routine land management program. With the exception of 1962, annual expenditures were equal to or exceeded those of 1959. However, they did not increase as rapidly as in other national forest counties. Table No. C-7 contains the figures for the eight-year period and Table No. C-7a contains the figures by category of expenditures. The TVA does not make resource expenditures which would be comparable to those of other agencies. Typically, TVA expenditures relate to the improvement, expansion and maintenance of the properties, including lands, employed in its power-generating activities.

IV. Burdens to Local Government

a. Direct Burdens: County officials have not identified any specific financial burdens attributable to the presence of public lands.

b. Indirect Burden: The loss of property tax revenues from the Federally owned lands constitutes the only discernible indirect burden to the county's finance. The lands located within Nantahalo National Forest are of relatively high value and contain highly desirable lake shore and choice timberland tracts. The TVA lands, excluding lakes and dikes, are also timberlands which have a relatively high value. An estimate of the potentially assessable values of the Federal lands, if they were in private ownership and the resulting tax revenues at current millage rates, is contained in Table No. C-8. It shows a potential of $79,800 in tax revenues per year, or the equivalent of 90¢/acre.

c. Loss in Revenues as a Result of Sharing Net Versus Gross: The FS deducted, during each of the last 10 years, certain specified costs from gross receipts thereby reducing the net receipts available for revenue sharing. Table No. C-9 shows specified costs and resulting "loss" in revenue sharing which fluctuated rather widely and appear to bear no relation to the gross receipts in any given year.

d. Public Laws 815 and 874: The county did not qualify for Federal aid under these laws during any of the years 1957-1966.

V. Impact of the Present System

a. County Finance: The impact of the present system upon the county and other units of local government can be measured to some extent by a comparative analysis of the net financial benefits and losses. Reflecting receipts from TVA excluding its distributors, and the FS, the following figures result:

PILT and Revenue Sharing (C-4)	$57,011
Free Goods	428
Total Direct Benefits	$57,439 = 65¢/acre

Comparing these benefits with the potential tax estimate as contained in Table No. C-8 shows a loss to the county of about $31,000 or 35¢/acre.

However, when the benefits accruing to the county also reflect tax and in lieu of tax payments by TVA's distributors, in accordance with the estimate previously provided, the results change substantially, as follows:

PILT and Revenue Sharing (C-4)	$127,469
Free Goods	428
Total Direct and Indirect Benefits	$127,897 = $1.44/acre

These results exceed the potential tax estimate by almost $40,000, or 44%, even if it is assumed that all of the potential tax estimate would, in fact, be collected if the lands were in private ownership.

b. The Overview: The rather low level of per capita income in Cherokee County poses peculiar problems which are related to the presence of Federal lands in only one respect. This concerns the apparent inability of the county to develop a more viable economic base because the most desirable land is in Federal ownership. The feeling has been expressed by county officials that if tracts along the TVA reservoir and the Appalachian Dam were made available to private developers, the county would stand a reasonable chance to develop a viable tourist and recreation industry. It was also claimed that in another county TVA has made such sites available for private ownership and development.

Likewise, it is suggested that the management program of the FS, which is apparently not geared to maximization of timber revenues and resulting revenue sharing payments to the county, is restraining the county's socioeconomic development.

Conversely, the PILT and RS programs of TVA and its distributors are of greater benefit to the county than actual TVA activities within the county would seem to require. TVA does not generate power in Cherokee and, though direct and indirect TVA PILT and RS payments were found to be somewhat lower than those applicable to privately owned utilities, Cherokee County would obtain lesser benefits from privately owned electric utilities than it does from TVA, assuming, of course, that a privately owned utility and its generating facilities would be outside the county limits.

CHEROKEE, NORTH CAROLINA

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Recreational, & Commercial	$27,500 1/	$500
	Total	27,500	500

1/ Est. based upon taxes received & County average millage rate.

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose		Face Value	Outstanding Balance
Schools		$1,000,000	$840,000
Refunding		964,000	136,500
	Total	$1,964,000	$976,500

Source: Cherokee County Audit Reports.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Cherokee

STATE North Carolina

Year	Real Property1/ (1)	Personal Property1/ (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$152,457	$ 11,475	$ 163,932	$ 499,244	$ 663,176
1958	155,242	11,685	166,927	516,542	683,469
1959	231,200	17,402	248,602	514,476	763,078
1960	163,399	12,299	175,698	621,984	797,682
1961	161,477	12,154	173,631	613,179	786,810
1962	183,987	13,849	197,836	626,920	824,756
1963	210,629	15,854	226,483	647,238	873,721
1964	217,483	16,370	233,853	699,106	932,959
1965	229,558	17,279	246,837	765,588	1,012,425
1966	245,988	18,515	264,503	827,228	1,091,731
% incr./decr. '66 vs. 1st yr.	61.3	61.3	61.3	65.7	64.6

1/ Allocation between real and personal property tax estimated, specific figures for each not available at source.

Source: Cherokee County Audit Reports.

C36-8

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME
1957 - 1966

COUNTY Cherokee

STATE North Carolina

YEAR	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
	Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	656	139	256	1,051	7.30	57.75	1.14	9.01	8.44	66.76
1958	647	156	262	1,065	6.86	58.52	1.08	9.17	7.94	67.69
1959	601	173	284	1,058	6.32	57.50	1.48	13.51	7.80	71.01
1960	672	227	265	1,164	7.13	71.85	1.08	10.85	8.21	82.70
1961	711	223	271	1,205	7.44	75.31	1.07	10.85	8.51	86.16
1962	780	226	285	1,291	7.56	81.71	1.16	12.52	8.72	94.23
1963	900	239	308	1,447	8.28	92.76	1.30	14.52	9.58	107.28
1964	853	261	301	1,415	7.69	91.88	1.27	15.19	8.96	107.07
1965	901	306	326	1,523	7.64	97.63	1.24	15.82	8.88	113.45
1966	979	354	373	1,706	8.17	105.96	1.27	16.43	9.44	122.39

1/ Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col (7).
Col. (10) = Col. (6) + Col. (8).

C56-9

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Cherokee

STATE North Carolina

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$ 309,084	$ 44,145	$ 345,006	$ 698,235	$ 38
1958	350,000	34,241	324,424	708,665	39
1959	353,651	26,332	415,982	795,965	43
1960	365,221	27,158	379,241	771,620	48
1961	374,845	32,197	382,666	789,708	49
1962	438,381	37,370	380,007	855,758	54
1963	453,433	31,232	406,279	890,944	57
1964	472,916	30,158	499,641	1,002,715	65
1965	431,595	34,882	539,029	1,005,506	64
1966	465,305	30,276	555,708	1,051,289	65
% incr./decr.'66 vs. first year	50.5	(31.5)	61.1	50.6	71.1
% incr./decr.'66 vs. first year per capita	70.6	(22.5)	84.2	71.1	

C36-70

Source: Cherokee County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

County Cherokee

State North Carolina

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial, Industrial	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal	(7) Other	(8) Total Assessed Value
1957 Assessed Value	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ 7,784,087
Aver. Tax Rate 21.3mills								
Item % of Total	NA	NA	NA	NA	NA	NA	NA	100.0
1958 Assessed Value	NA	NA	NA	NA	NA	NA	NA	7,783,211
Aver. Tax Rate 21.4mills								
1959 Assessed Value	NA	NA	NA	NA	NA	NA	NA	7,005,856
Aver. Tax Rate 35.7mills								
1960 Assessed Value	NA	NA	NA	NA	NA	NA	NA	10,723,774
Aver. Tax Rate 16.5mills								
1961 Assessed Value	NA	NA	NA	NA	NA	NA	NA	10,771,313
Aver. Tax Rate 16.3mills								
1962 Assessed Value	NA	NA	NA	NA	NA	NA	NA	11,142,069
Aver. Tax Rate 17.9mills								
1963 Assessed Value	NA	NA	NA	NA	NA	NA	NA	11,677,849
Aver. Tax Rate 19.5mills								
1964 Assessed Value	NA	NA	NA	NA	NA	NA	NA	13,633,201
Aver. Tax Rate 18.2mills								
1965 Assessed Value	NA	NA	NA	NA	NA	NA	NA	14,186,209
Aver. Tax Rate 18.2mills								
1966 Assessed Value1/	NA	NA	NA	NA	NA	NA	NA	15,068,046
Aver. Tax Rate 18.2 mills								
Item % of Total	NA	NA	NA	NA	NA	NA	NA	100.0
Increase/Decrease '66 vs. '57	NA	NA	NA	NA	NA	NA	NA	93.6

1/Assessed value represents 45 percent of actual market value in 1966.

Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

C36-1

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION ----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = NORTH CAROLINA COUNTY = CHEROKEE										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	16482	17705	18316	19100	10461	10730	10338	11356	12330	16440
PERCENT BASE YEAR	100.0	107.4	111.1	115.9	63.5	65.1	62.7	68.9	74.8	99.7
PROGRAM ACREAGE	81419	81439	81440	81440	81440	81440	81579	81579	81579	81579
REVENUE $ PER ACRE	0.20	0.22	0.22	0.23	0.13	0.13	0.13	0.14	0.15	0.20
TOTAL ALL PROGRAMS *										
FEDERAL PAYMENTS ($)	16482	17705	18316	19100	10461	10730	10338	11356	12330	16440
PERCENT BASE YEAR	100.0	107.4	111.1	115.9	63.5	65.1	62.7	68.9	74.8	99.7
PROGRAM ACREAGE	81419	81439	81440	81440	81440	81440	81579	81579	81579	81579
REVENUE $ PER ACRE	0.20	0.22	0.22	0.23	0.13	0.13	0.13	0.14	0.15	0.20

*Table showing Forest Service and Tennessee Valley Authority combined follows.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

TABLE NO. C-4 A

REVENUE SHARING AND PAYMENTS IN LIEU OF TAXES BY PROGRAM

COUNTY Cherokee

STATE North Carolina

	National Forests				Tennessee Valley Authority, PILT, $ 1/						
Year	Acreage (1)	RS, $ (2)	¢ per Acre (3)	Annual Change 1957=100 (4)	Direct to County (5)	Rebated to County (6)	Rebated to Municipality by State (7)	Total TVA $ (8)	Annual Change 1957=100 (9)	Total FS & TVA, $ (10)	Total PILT&RS Annual Change 1957=100 (11)
1957	81,419	16,482	20	100.0	1,814	18,850	755	21.419	100.0	37,901	100.0
1958	81,439	17,705	22	107.4	1,814	20,570	754	23,138	108.0	40,843	107.8
1959	81,440	18,317	22	111.1	1,814	22,120	754	24,688	115.3	43,005	113.5
1960	81,440	19,100	23	115.9	1,792	28,871	1,250	31,913	149.0	51,013	134.6
1961	81,440	10,462	13	63.5	1,782	27,795	1,213	30,790	143.8	41,252	108.8
1962	81,440	10,730	13	65.1	1,782	27,765	1,113	30,660	143.1	41.390	109.2
1963	81,571	10,339	13	62.7	1,760	27,542	1,142	30,444	142.1	40,783	107.6
1964	81,579	11,357	14	68.9	1,728	37,077	1,267	40,072	187.1	51,429	135.7
1965	81,579	12,330	15	74.8	1,732	35,071	1,611	38.414	179.3	50,744	133.9
1966	81,579	16,441	20	99.8	1.731	37.008	1,831	40,570	189.4	57,011	150.4

1/ Direct payments by TVA only, tax payments by TVA power distributors excluded.

Source: Col. 1, 2 U.S. Forest Service, col. 5, 6, 7 TVA, others -- calculated.

C 36-14

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Cherokee

STATE: North Carolina

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Land	$ 428
	Total	$ 428

Source: Federal Agencies' Field Offices, EBSMC Estimates.

C3/15

County: Cherokee

State: North Carolina

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ NA	$ NA	$ NA
1958	NA	NA	NA
1959	6,735	60,612	67,347
1960	6,105	54,944	61,049
1961	7,082	63,741	70,823
1962	3,643	32,782	36,425
1963	15,754	141,783	157,537
1964	8,386	75,471	83,857
1965	6,883	61,944	68,827
1966	8,955	80,593	89,548
Average Year	7,943	71,484	79,427
Item % of Total, Average Year	10.0	90.0	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

C36-14

Federal Agency US Forest Service

Program Nantahala National Forest

County Cherokee

State North Carolina

TABLE NO. C-7a

Page 1 of 1

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA
1958	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1959	10,237	0	0	18,049	24,043	337	741	0	13,940	67,347
1960	7,265	0	513	31,422	19,023	0	390	43	2,393	61,049
1961	8,341	12	79	31,954	24,321	0	3,539	16	2,561	70,823
1962	9,578	0	55	5,276	17,061	0	846	0	3,609	36,425
1963	47,270	53	34	39,884	44,125	0	19,151	557	6,463	157,537
1964	15,491	0	0	8,334	30,894	0	27,050	69	2,019	83,857
1965	5,988	0	395	10,386	34,241	0	14,854	269	2,694	68,827
1966	14,880	0	200	11,644	38,295	199	18,160	2,430	3,740	89,548

Source: Federal Agencies' Field Offices.

C36-17

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Cherokee

STATE North Carolina

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre$ 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value $ (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax $ (Col. 4 × 5) (6)	Estimated Tax Per Acre ¢ (Col. 2 × 5) (7)
Forest Service	$		$		$	
Lakeshore	250.00	5,000	1,250,000	16.4	20,500	410¢
Contiguous to Lakeshore	125.00	5,000	625,000	16.4	10,250	205
Choice Timberland	50.00	41,000	2,050,000	16.4	33,620	82
Timberland	25.00	30,579	764,475	16.4	12,537	41
Total (Not including TVA)	57.70	81,579	4,689,475	16.4	76,907	95¢
TVA						
Timberland	25.00	7,160	179,000	16.4	2,936	41
Totals	$ 54.86	88,739	$ 4,868,475	16.4	$ 79,843	90¢

1/ **Composite produced** from estimates for each land class or type.
2/ **Current applicable** rate for county excluding **municipal levies.**

Source: **Col. (1) Federal** Agencies' Field **Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.**

Federal Agency US Forest Service
Revenue Sharing Program Nantahala National Forest (25%)[a/]
County Cherokee
State North Carolina

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 x a/)
1957	$ 70,098	$ 4,170	$ 65,928	$ 16,482	$ 1,042
1958	79,554	8,734	70,820	17,705	2,184
1959	88,642	15,370	73,272	18,318	3,842
1960	84,666	8,266	76,400	19,100	2,066
1961	47,278	5,430	41,848	10,462	1,358
1962	48,549	5,629	42,920	10,730	1,407
1963	49,013	7,657	41,356	10,339	1,914
1964	56,718	11,290	45,428	11,357	2,822
1965	64,132	14,812	49,320	12,330	3,703
1966	72,484	6,720	65,764	16,441	1,680

Source: Federal Agencies' Field Offices.

CASE COUNTY DIGEST
LAKE, OREGON

1. The County

a. General Description: Lake is a large, sparsely populated county located in the south-central part of the state bordering California and Nevada. It is not one of the Oregon counties containing the Oregon & California (O&C) Revested Lands.

The county seat is Lakeview. There are two municipalities, 11 school districts and six special districts in the county. County and municipal governments overlap somewhat. The two municipalities provide their own tax assessment although the tax collection is performed by the county. The maintenance and construction of highways is handled by the State while street maintenance and construction is a function of the municipalities. Both the county and the municipalities provide law enforcement and fire protection. Sanitation, cemetery operation and utility operation are all under the exclusive control of the two municipalities. The special districts are engaged in fire protection, recreation factilities, sanitation facilities, planning and operations. The county's economy is based on livestock and timber with one predominant employer in the latter category, one of the largest firms in the nation in the wood consuming industry.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	7,158	1966	2	6,400	-10.6
Urban[1]	1960	1	3,257	1966	2	2,900	-11.0
Rural	1960	1	3,901	1966	2	3,500	-10.3
Employment	1959	3	1,324	1966	3	1,045	-21.1
Effective Buying Income ($000)	1960	2	13,998	1966	2	15,052	7.5
Per Capita EBI ($)	1960	2	1,944	1966	2	2,352	21.0
Public School Enrollment (K-12)	1960	1	1,764	1965	4	1,500	-15.0

1/ Includes areas of 2,500 people or more.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

The above figures indicate a decline in economic activity except in the total effective buying income and per capita EBI categories. The decline in employment during the period 1959-1966 is shown at twice the rate of the population decline; however, it is understood to be a function of increased mechanization and automation rather than a general deterioration of the county's economy.

c. The Land: Of the total land area in the county 5.3 million acres, approximately 74% are in Federal ownership and subject to revenue sharing. The following agencies reported 1966 acreages as follows:

Forest Service (FS) - National Forests	1,025,850 acres
Bureau of Land Management (BLM) -	
Grazing Districts, TG-3	2,613,032 acres
Grazing Tracts, TG-15	15,654 acres
Mineral Leasing	NA
Bureau of Sport Fisheries and Wildlife (BSF&W) -	
Bird Refuge	238,779 acres
Total Reported Acreage	3,893,315 acres

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the period 1957-1966. During this period, despite the decline in population and employment, total receipts rose by over $1 million or 62%. Revenue from property taxes increased at a rate of 65% while revenue from other taxes and sources increased at a rate of 61%.

The figures in Table No. C-1 include revenue from the various applicable RS programs which, in 1966, accounted for approximately $600,000 or 36% of all non-property tax revenues.

During this period the county's outstanding bonded indebtedness did not change materially and in 1966 was less than 33% of that year's total expenditures. A summary of bonded indebtedness is included at the end of the case study digest.

As shown in Table No. C-1a, the increased revenues were obtained as a result of a significant increase in the per capita state and local tax levies. The rate of increase during the 10-year period per capita was 48% while as a percent of total EBI it was 6%, indicating a relatively constant state and local tax burden over the 10-year period as a percentage of EBI.

Of the per capita increase of approximately $100, as shown in the 1957 versus 1966 figures, about 70% results from increased local property taxes and only 30% from increased state taxes.

b. Expenditures: Table No. C-2 lists detailed expenditure data for the period 1957-1966. It shows that the rate of increase for all expenditures substantially exceeded that for revenues. On a per capita and total expenditures basis spending increased at a rate of 93% with expenditures increasing by a smaller amount in each of the stated categories except for "Other Expenditures".

c. Property Taxes: Table No. C-3 contains data for the assessed value of property subject to tax for the period 1957-1966. Contrasted with the increase in total property tax receipts shown in Table No. C-1 amounting to 65%, the increase in assessed value over the 10-year period was only 19%. The discontinuation of assessing timber as taxable real property beginning in 1963 is partially responsible for this slow rate of increase. As of that year property tax on timber stands was replaced by a timber severance tax. It yielded revenues varying from a low of $76,600 in 1965 to a high of $92,500 in 1966, and is reflected in the revenues shown in column 3 of Table No. C-1. The change in tax policy was motivated by a desire to stimulate reforestation on privately owned timberlands; a severance tax policy eliminates taxation of the timber stands until they are harvested, as opposed to property tax on timber stands which is assessed and payable yearly irrespective of utilization of the timber resources.

The county does not tax possessory interest on Federal lands and none is included in the figures shown in Table No. C-3. Conversely, the county obtains ad valorem taxes on cattle grazed on Federal lands. Moreover, this type of revenue derived from the cattle industry irrespective of the ownership of the land employed for grazing.

III. Payment in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: Table No. C-4 contains figures relating to applicable acreage and RS payments for the 10-year period to the extent that such are available from the relevant Federal agencies. An undetermined quantity of land has been subject to mineral leases. It was reported, however, that in recent years no activities took place and the figures for 1964 and 1966 would indicate that the leases expired.

Substantial RS payments were realized in each of the years from the two national forests while relatively small amounts resulted from the other active RS programs. These payments fluctuated widely during the period, ranging from $165,000 in 1961 to $603,000 in 1966; however, the general trend has been an increasing one.

b. Indirect Benefits: Allocations under the BPR Sliding Scale Highway Aid Program were made in Lake County in eight of the 10-year study period. The appropriate figures are shown in Table No. C-5. These allocations fluctuated widely and the 1966 allocation of just over $39,000 was the largest with the exception of 1961 which amounted to $65,693.

c. Value of Free Goods and Services: All three agencies provided the county free of charge with certain tracts of land for rights-of-way and certain construction materials. Table No. C-6 contains an estimate of the annual value of these free goods and services. The total for this estimate is shown as $7,542.

d. Federal Facilities and Services Having Joint Use: All three Federal agencies reported the county's free use of roads, trails and recreational facilities which were constructed and are maintained by these Federal agencies. Based on construction and operating costs for these facilities and the rate of utilization by the local government, it was estimated as shown in the summary of the county digest that they provide the following annual benefits:

FS - Roads	$ 3,665
BLM - Roads and Track Trails	50,094
- Recreational Facilities	380
BSF&W - Roads	887
Annual Benefit	$55,026

e. Resource Expenditures - Management: All three Federal agencies expended considerable sums for their resource programs. Table No. C-7 contains a summary of these expenditures for the 10-year period. It shows a substantial increase during this period with 1966 expenditures almost twice the amount expended in 1957. The annual average exceeded $3.4 million, of which only 17% were capital expenditures.

Tables No. C-7a1, 2 and 3 contain expenditure details by expense category for each of the three agencies.

The survey of management functions performed by these Federal agencies indicates an overlapping between the activities of the FS and BLM. BLM, for example, states that it is engaged in activities relating to wood utilization and marketing in addition to all other forest management activities in which the FS is also engaged. There is no indication that either of the agencies is engaged in activities which are specifically geared to maximize the economic activities stemming from the land under their jurisdictions.

A particular practice of the FS was identified by county officials. It relates to a so-called "working circle agreement" set up some years ago under which only three lumber mills in Lake County are allowed to bid for timber on Federal lands within the county. It was suggested that by agreements among these mills they will typically bid for stumpage at the first minimum price and that under normal competitive conditions higher revenues and resulting RS payments might be derived. It was stated that competitive bidding results only if all of the three mills wish to bid on a particular sale. This, however, has happened only rarely.

IV. Burdens to Local Government

a. Direct Burdens: The presence of public lands causes several kinds of burdens upon local government. Discussion with local government officials and review of their records indicated the following annual burdens for which no reimbursement by the Federal agencies is made:

Maintenance and Construction of Roads	$500,000
Law Enforcement	45,000
	$545,000

The financial burden of maintaining roads relates to county highways located within the jurisdiction of the cognizant Federal agencies. The cost of law enforcement shown above relates to the incremental expenditures incurred by the county's sheriff department for policing Federal lands.

b. Indirect Burden: The Federal lands immunity to taxation by local government represents the loss of an important revenue source. With the exception of about 2.5 million acres of grazing lands under BLM's management, the lands are of relatively good commercial quality. Assessment for tax purposes of the commercial timberlands, due to the revised taxation policies (a timber severance tax was enacted effective July 1, 1962 and replaced the ad valorem tax on timber), causes the majority of the lands to be assessed at values comparable to those of grazing lands. However, if the lands were in private ownership, in addition to the relatively low surface value assessment and the resulting low tax payments, the timber severance tax would also be paid. The Eastern Oregon Timber Severance Tax specifically covers private timber in eastern Oregon and exempts that which is located on classified reforestation lands and that located on Federal property. While the severance tax rate is 5% of the harvest value less a 7% credit for administrative costs, the value of the timber is determined by the State Tax Commission and the annual tax collection will, of course, vary with the quantity of timber harvested. Table No. C-8 contains an estimate of the assessable value and the potential tax which might be obtained by the county if the lands were in private ownership. It also contains an estimate of the potential severance tax. This estimate was based on information on the quantity and harvest value of the timber typically harvested in the county as supplied by the supervisor of the two national forests in the county. The procedure applicable to the severance tax collection provides for its deposit in a central fund in which the severance tax from 18 participating eastern Oregon counties is collected and then predetermined shares of the total are returned to each participating county. The return to Lake County of the revenues collected within its jurisdiction is 23% of the total collection. The county participates at a like rate in the collections from all other counties. For purposes of this analysis, only those tax revenues which would accrue to Lake County from the timber severance tax collected within it, if the lands were in private ownership, have been included.

The estimates derived in Table No. C-8 show a total potential tax revenue of $637,711 equal to an average of 16c/acre.

c. Loss in Revenues as a Result of Sharing Net Versus Gross: During each of the years of the study period the FS has made substantial collections for the K-V Fund. Table No. C-9 lists the detailed data for the K-V collections and the resulting revenue share "lost". The latter ranged from a low of $20,400 in 1958 to a high of $77,400 in 1962. The 1966 RS "loss" amounted to $56,000 or about 9% of the RS payment for that year.

Additionally the RS payments to the county have been reduced as a result of the FS's practice to reduce the value of the timber purchase contracts by the estimated cost of construction and reconstruction of harvest roads. If this reduction had not been made in 1966 -- it amounted to $407,739 -- the RS payment to the county would have been increased by $101,935.

d. Public Laws 815 and 874: The school districts in Lake County have not qualified for assistance under these laws in any of the years during the 10-year period.

V. Impact of Present Systems

a. County Finance: The impact of the present system upon county finances is unfavorable because total benefits are substantially less than the potential tax revenue which might be generated from the public lands if they were in private ownership. The reason for the disparity is the very low revenue obtained by the county from the large holdings of BLM and BSF&W. The net benefits are summarized as follows (1966 figures):

Revenue Sharing (C-4)	$603,730
Sliding Scale Payments (C-5)	38,905
Free Goods and Services (C-6)	7,542
Joint Use Facilities (III.d.)	55,026
Total Direct Benefits	$705,203
Less Direct Burdens	$545,000
Total Net Direct Benefits	$160,203 = 4c/acre

The complaint of the county officials that RS payments from the Forest Fund might be substantially larger if timber were sold at unrestricted competitive prices must also be recalled. It was suggested that a difference of 75% in the typical value of a timber sale might result. Such a difference in terms of the increment in RS payments would almost totally compensate for the difference in the net benefits shown above and those that might obtain if the lands are in private ownership and if the county had a property tax on timberlands.

b. The Overview: County officials have negative attitudes with respect to the RS provisions applying to their county as compared with those applying to the O&C counties. They point out that RS payments under the Forest Fund are about the same in the eastern and western Oregon counties. However, most of the western counties receive the increased benefits from O&C funds without any significant difference in the economic activity and/or the cost of providing public services. In the view of these officials the effect upon Lake County is one of gross inequity which they feel should not be continued indefinitely. They further point out that the RS payments obtained by them are earmarked whereas O&C funds can be applied to any category of public expenditures. They inferred that the earmarking of the RS payments accruing to Lake County constitutes a hardship. This contention is not borne out by the expenditures for education and highways shown in Table No. C-2, each of which substantially exceeded the total RS payments.

County officials also expressed considerable displeasure with the management practices relating to the issuance of grazing permits. They claim that greater economic value could be obtained from increased utilization of the available grazing lands but that the Federal agencies will not issue new permits. An instance was cited that in order to obtain a grazing permit a rancher was forced to pay a consideration to the holder of such permit although he himself was not utilizing it. On the positive side, the county welcomed the FS's considering an increase in the grazing charge of 10¢ per acre and felt that BLM should follow a like practice. It is their impression that if the grazing fee were so raised it might result in RS payments which might approximate those of the tax obtained from privately owned grazing lands.

Overall, there is considerable resentment because the Federal agencies do not appear to provide a land management program which tends to maximize economic activities in the county. As a result of the current management practices which include a reduction in grazing permits rather than the sought increase, the sheep population in the county has been considerably reduced and, likewise, the purchase of the Hart Mountain Game Refuge has resulted in a large reduction in livestock raising activities.

LAKE, OREGON

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Grazing	0	0
BLM	Grazing	0	0
BSF&W	Grazing	0	0
	Total	0	0

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Schools	$ 882,000	$ 632,000
Roads	400,000	320,000
Sewage	160,000	48,000
Total	$1,442,000	$1,000,000

Source: Lake County Audit Reports.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Lake

STATE Oregon

Year	Real Property1/ (1)	Personal Property1/ (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$512,691	$ 156,705	$ 669,396	$ 1,049,022	$ 1,718,418
1958	481,857	158,995	640,852	981,807	1,622,659
1959	571,933	212,826	784,759	935,205	1,719,964
1960	602,033	233,428	835,461	1,306,722	2,142,183
1961	677,746	217,084	894,830	1,261,907	2,156,737
1962	904,720	211,391	1,116,111	976,255	2,092,366
1963	848,189	212,047	1,060,236	1,185,494	2,245,730
1964	816,964	204,241	1,021,205	1,168,307	2,189,512
1965	845,834	211,459	1,057,293	1,691,847	2,749,140
1966	881,464	220,366	1,101,830	1,688,502	2,790,332
% incr./decr. '66 vs. 1st yr.	71.9	40.6	64.6	61.0	62.4

1/ Allocation between real and personal property tax estimated, specific figures for each not available at source.

Source: Lake County Audit Reports.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY Lake

STATE Oregon

YEAR	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
	Sales & Gross Receipts (1)	Individual Income (2)	Other[1/] (3)	Total[1/] (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	188	351	140	679	6.19	104.46	6.11	102.98	12.30	207.44
1958	181	314	103	598	5.18	92.00	5.55	98.59	10.73	190.59
1959	236	331	163	730	5.16	98.65	5.55	106.05	10.71	204.70
1960	246	381	186	813	5.81	112.92	5.97	116.04	11.78	228.96
1961	261	338	189	788	5.59	109.44	6.35	124.28	11.94	233.72
1962	261	351	203	815	5.77	113.19	7.90	155.01	13.67	268.20
1963	277	387	204	868	5.83	118.90	7.12	145.23	12.95	264.13
1964	219	468	212	899	5.55	121.49	6.31	138.00	11.86	259.49
1965	223	477	212	912	5.71	132.17	6.62	153.23	12.33	285.40
1966	227	434	202	863	5.73	134.84	7.32	172.16	13.05	307.00

[1/] Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Lake

STATE Oregon

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditure Per Capita (5)
1957	$ 764,665	$ 565,372	$ 312,527	$ 1,642,564	$ 253
1958	803,525	444,159	403,269	1,650,953	254
1959	896,946	561,707	388,423	1,847,076	250
1960	1,043,502	564,212	595,855	2,203,569	306
1961	1,088,095	436,327	469,801	1,994,223	277
1962	1,157,648	377,687	510,288	2,045,623	284
1963	1,237,844	474,962	579,324	2,292,130	314
1964	1,222,471	459,034	565,032	2,246,537	304
1965	1,230,466	810,204	540,791	2,581,461	374
1966	1,294,158	1,035,452	786,328	3,115,938	487
% incr./decr.'66 vs. first year	69.3	83.1	151.6	89.7	92.5
% incr./decr.'66 vs. first year per capita	71.9	86.0	155.5	92.5	

Source: Lake County Audit Reports.
Col. (5) ;Col. (4) divided by population estimates, Sales Management.

County Lake

State Oregon

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential[2]	(2) Commercial Industrial[2]	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal[3]	(7) Other[3]	(8) Total Assessed Value
1957 Assessed Value	$ 1,683,240	$2,043,930	$ 485,470	$4,448,560	$ 3,859,530	$	$	$12,520,730
Aver. Tax Rate 53.5 mills								
Item % of Total	13.4	16.3	3.9	35.6	30.8			100.0
1958 Assessed Value	1,837,240	1,837,240	714,660	4,654,350	4,115,850			13,159,340
Aver. Tax Rate 48.7 mills								
1959 Assessed Value	1,820,420	1,820,420	627,492	4,611,730	4,030,520			12,910,582
Aver. Tax Rate 60.8 mills								
1960 Assessed Value	2,025,330	1,890,300	574,197	5,130,820	4,109,680			13,730,327
Aver. Tax Rate 60.8 mills								
1961 Assessed Value	2,140,980	1,998,240	503,819	5,423,800	4,794,380			14,861,219
Aver. Tax Rate 60.2 mills								
1962 Assessed Value	2,461,650	2,297,540	526,864	6,236,180	4,929,400			16,451,634
Aver. Tax Rate 67.8 mills								
1963 Assessed Value	2,386,540	1,871,700	592,714	7,019,240	0			11,870,274
Aver. Tax Rate 89.3 mills								
1964 Assessed Value	2,753,390	2,159,530	625,041	8,093,210	0			13,631,171
Aver. Tax Rate 76.9 mills								
1965 Assessed Value	2,770,920	2,173,270	666,306	8,013,940	0			13,624,436
Aver. Tax Rate 77.6 mills								
1966 Assessed Value[1]	3,033,360	2,347,840	669,886	8,800,500	0			14,851,586
Aver. Tax Rate 74.2 mills								
Item % of Total	20.4	15.8	4.5	59.3	0			100.0
Increase/Decrease 66 vs. '57	80.2	14.9	38.0	96.1	0			18.6

[1] Assessed value represents 25 percent of actual market value in 1966.

[2] Allocation between residential, and commerical, industrial estimated, specific figures for each not available

[3] Included in other items.

Source: State and/or Local Government Financial Reports, estimates and allocations by ESSMC.

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION ----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = OREGON COUNTY = LAKE										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	431663	392104	467531	446757	154640	315371	276751	424772	468913	591074
PERCENT BASE YEAR	100.0	90.8	108.3	103.5	35.8	73.1	64.1	98.4	108.6	136.9
PROGRAM ACREAGE	1006139	1006169	1006182	1006182	1025918	1025930	1025850	1025850	1025850	1025850
REVENUE $ PER ACRE	0.43	0.39	0.46	0.44	0.15	0.31	0.27	0.41	0.46	0.58
MIGRATORY BIRD ACT										
FEDERAL PAYMENTS ($)	772	3306	3311	2493	3334	1672	2164	2875	2278	9399
PERCENT BASE YEAR	100.0	428.2	428.9	322.9	431.9	216.6	280.3	372.4	295.1	1217.5
PROGRAM ACREAGE	241291	241292	241291	241291	241291	241291	241291	241292	241291	238779
REVENUE $ PER ACRE	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.04
MINERAL LEASING ACT										
FEDERAL PAYMENTS ($)	NA	NA	NA	41007	4884	60	-2483	-60	120	0
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	11.9	0.1	0.0	0.0	0.3	0.0
TAYLOR GRAZE SECT 15 *										
FEDERAL PAYMENTS ($)	NA	NA	NA	82	14	145	62	37	195	42
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	17.1	176.8	75.6	45.1	237.8	51.2
TAYLOR GRAZE SECT 3										
FEDERAL PAYMENTS ($)	NA	NA	NA	2480	2148	2137	2968	3089	2808	3212
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	86.6	86.2	119.7	124.6	113.2	129.5
PROGRAM ACREAGE	NA	NA	NA	2439110	2434515	2463857	2517194	2518664	2518579	2613032
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	432435	395410	470842	492819	165020	319385	279462	430713	474314	603727
PERCENT BASE YEAR	100.0	91.4	108.9	114.0	38.2	73.9	64.6	99.6	109.7	139.6
PROGRAM ACREAGE	1247430	1247461	1247473	3686583	3701724	3731078	3784335	3785806	3785720	3877661
REVENUE $ PER ACRE	0.35	0.32	0.38	0.13	0.04	0.09	0.07	0.11	0.13	0.16

NA = data not available. This county does not have any Nonsection 10 land programs.

*Total land available under program in 1966 was 15,654 acres.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

C37-13

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID, BPR SLIDING SCALE PROGRAM, IN COUNTY

COUNTY Lake

STATE Oregon

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ 24,000	$ 5,102
1958	88,000	18,709
1959	14,000	2,976
1960	133,000	28,276
1961	309,000	65,693
1962	48,000	10,205
1963	0	0
1964	0	0
1965	89,000	18,921
1966	183,000	38,905

Source: U.S. Bureau of Public Roads, allocation by EBSMC.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Lake

STATE: Oregon

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Rights-of-way	$ 1,137
BLM	Construction Material	6,300
BSF&W	Right-of-way	105
	Total	$ 7,542

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County Lake

State Oregon

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$1,925,888	$ 412,394	$ 2,338,282
1958	1,549,533	468,930	2,018,463
1959	2,523,824	399,054	2,922,878
1960	2,847,910	376,886	3,224,796
1961	3,372,249	583,470	3,955,719
1962	2,741,590	532,300	3,273,890
1963	3,080,100	555,070	3,635,170
1964	3,416,250	505,670	3,921,920
1965	3,526,190	787,555	4,313,745
1966	3,396,770	1,149,850	4,546,620
Average Year	2,838,030	577,118	3,415,148
Item % of Total, Average Year	83.1	16.9	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

C37-16

Federal Agency US Forest Service

Program Deschutes & Fremont National Forests

County Lake

State Oregon

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 96,390	$ 25,600	$ 3,530	$231,700	$ 86,110	$ 700	$ 11,450	$ 100	$ 264,270	$ 719,850
1958	97,210	25,750	2,830	263,760	160,950	0	27,630	2,930	292,380	873,440
1959	108,280	37,000	2,220	177,360	168,310	4,010	26,380	2,450	310,150	836,160
1960	291,840	36,520	1,410	224,210	203,060	14,230	26,610	6,300	326,600	1,130,780
1961	307,780	58,310	5,760	277,090	301,870	5,650	42,280	6,900	375,390	1,381,030
1962	375,050	95,920	6,580	324,260	259,400	10,800	58,410	9,070	365,600	1,505,090
1963	268,630	95,040	8,530	383,250	224,970	9,670	66,110	14,290	380,660	1,451,150
1964	261,570	100,380	3,750	614,950	185,270	7,540	68,980	12,380	447,800	1,702,620
1965	297,660	97,000	6,140	987,180	175,200	16,070	58,780	8,480	398,840	2,045,350
1966	293,670	81,400	30,210	631,900	243,990	22,810	82,850	10,150	440,820	1,837,800

Source: Federal Agencies' Field Offices.

Federal Agency Interior - BLM

Program All

County Lake

State Oregon

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 0	$ 212,800	$ 235,071	$ 0	$ 4,658	$ 208,041	$ 0	$ NA	$ 927,430	$ 1,588,000
1958	7,807	120,186	126,863	11,095	7,806	120,186	0	NA	719,057	1,113,000
1959	22,581	309,995	295,634	106,765	6,140	258,693	0	NA	1,053,192	2,053,000
1960	36,931	505,796	359,778	160,369	8,229	388,580	0	NA	596,317	2,056,000
1961	30,508	525,970	388,782	294,781	10,103	360,850	0	NA	930,006	2,541,000
1962	17,235	201,790	215,638	307,063	25,852	196,659	0	NA	760,783	1,725,000
1963	51,452	173,663	186,501	229,461	42,860	150,110	0	NA	1,309,953	2,144,000
1964	91,675	447,508	329,669	283,781	82,921	292,536	0	NA	654,910	2,183,000
1965	60,207	529,032	220,927	203,148	203,148	189,713	254,465	NA	571,360	2,232,000
1966	53,402	493,944	202,908	186,757	146,880	192,307	267,010	NA	1,126,792	2,670,000

Source: Federal Agencies' Field Offices.

C37-18

Federal Agency Bureau of Sport Fisheries & Wildlife

Program Hart Mountain National Antelope Refuge

County Lake

State Oregon

TABLE NO. C-7a

Page 3 of 3

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Reforestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 1,007	$ 4,778	$ 0	$ 1,507	$ 0	$ 0	$ 526	$ 14,612	$ 7,982	$ 30,412
1958	1,060	5,030	0	1,581	0	0	556	15,386	8,402	32,013
1959	1,116	5,296	0	1,664	0	0	503	16,197	8,844	33,698
1960	7,175	5,573	0	1,752	0	0	614	13,582	9,310	38,006
1961	1,237	5,866	0	1,866	0	0	646	14,297	9,800	33,689
1962	1,302	6,175	0	1,961	0	0	680	23,386	10,316	43,800
1963	120	9,000	0	1,400	0	0	634	14,714	13,632	40,000
1964	1,667	5,300	0	2,905	0	0	538	16,156	8,597	36,300
1965	1,946	3,900	0	2,679	0	0	924	17,140	8,821	36,400
1966	1,252	7,800	0	1,187	0	0	783	15,353	12,425	38,800

Source: Federal Agencies' Field Offices.

C37-14

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Lake

STATE Oregon

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Timberlands (exclusive of timber value)	$ 6.79	1,025,850	$ 6,963,012	45.72	$ 318,359	31¢
BLM						
Grazing - Class I	6.20	159,100	986,420	41.37	40,808	26
Class II	1.65	2,469,506	4,074,817	41.37	168,575	7
ODFW						
Grazing - Class I	6.20	238,779	1,480,430	41.37	61,245	26
Totals	$ 3.47	3,893,235	$ 13,504,679	43.61	$ 588,987	15¢
	Est. Harvest Value	Tax at 6%	Tax Credit at 7%	Net Tax	County's Share at 23.173%	Tax Per Acre
Timber Severance Tax	$3,767,856	$ 226,071	$ 15,825	$210,246	$ 48,724	5¢
				Totals	$ 637,711	16¢

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

Federal Agency: US Forest Service
Revenue Sharing Program: Deschutes & Fremont National Forests 25%
County: Lake
State: Oregon

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts [(1) - (2)]	(4) Net Payment to Local Government	(5) Revenue Share Lost [(2) x .25]
1957	$ 1,845,637	$ 118,981	$ 1,726,656	$ 431,664	$ 29,745
1958	1,662,852	94,432	1,568,420	392,105	23,608
1959	2,015,217	145,089	1,870,128	467,532	36,272
1960	2,057,219	270,191	1,787,028	446,757	67,548
1961	798,527	179,883	618,644	154,661	44,971
1962	1,570,928	309,440	1,261,488	315,372	77,360
1963	1,345,734	238,730	1,107,004	276,751	59,682
1964	2,003,418	304,330	1,699,088	424,772	76,082
1965	2,177,796	302,140	1,875,656	468,914	75,535
1966	2,588,298	223,998	2,364,300	591,075	56,000

Source: Federal Agencies' Field Offices.

CASE STUDY DIGEST
LANE, OREGON

I. The County

a. General Description: Lane is one of the large western counties in Oregon which contains a considerable portion of the Oregon and California (O&C) lands administered partly by the Department of the Interior and partly by the Department of Agriculture. These O&C lands include controverted lands which are revested O&C railroad grant lands. They were placed under the jurisdiction of the Secretary of Agriculture to be administered with the national forests. The county seat is Eugene; there are 11 municipalities, 18 school districts and 42 special districts. The special districts are primarily engaged in the following: hospital, fire protection, recreation, resource development, sanitation, and utility operations.

The functions of local governments performed by the municipalities vary with their size, but all of them provide basic administrative, financial control, fire protection and planning activities. Most of the municipalities provide assessment, street and highway construction and repair, law enforcement and sanitation facilities. County government provides a full range of governmental functions including assessments for those municipalities not furnishing same and tax collections for all units of government located within the county.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	162,890	1966	2	200,100	22.8
Urban[1/]	1960	1	99,526	1966	2	131,100	31.7
Rural	1960	1	63,364	1966	2	69,000	8.9
Employment	1959	3	33,085	1966	3	47,082	42.3
Effective Buying Income ($000)	1960	2	329,096	1966	2	518,549	57.6
Per Capita EBI ($)	1960	2	1,990	1966	2	2,591	30.2
Public School Enrollment (K-12)	1960	1	37,389	1965	4	44,700	19.6

[1/] Includes areas of 2,500 people or more.

Sources: See Page C38-2

These figures indicate a substantial growth in county population during the period 1960-1966, most of which occurred in the county's urban areas. Employment rose at a faster rate and the figures for 1966 indicate that almost one out of every four persons is employed. Effective buying income and per capita EBI rose at an impressive rate. Public school enrollment (K-12) increased at about the same rate as total population.

c. The Land: As mentioned under a. above, the county contains certain revested Oregon and California lands. Of the total land area comprising 2.9 million acres, 1.7 million acres are in Federal ownership. These Federal lands are administered by three agencies as follows:

Forest Service (FS)	
O&C Lands	95,293 acres
National Forests	1,307,537 acres
Total Forest Service	1,402,830 acres
Bureau of Land Management (BLM)	
O&C Timberlands	279,012 acres
Outside Grazing Tracts, TG-15	10,518 acres
Total BLM	289,530 acres
Corps of Engineers (C of E)	
Reservoirs	12,760 acres
Total Federal Land	1,705,120 acres

In addition to the land use indicated by the above classifications, mineral leases have been in effect from time to time on certain of the O&C lands administered by BLM.

Sources: 1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

II. County Finance

a. Revenues: Table No. C-1 contains detailed revenue data for the period 1957-1966. It shows a very substantial increase in revenues from all sources with an increase in total receipts, during the 10-year period, of 165% or approximately $63.2 million. The largest share of the increased revenues stems from non-property taxes and other revenues which accounted for $48.3 million out of the total increase, while collections from property taxes accounted for $14.9 million of the total increase.

Column 4 of Table No. C-1 includes the net amounts received by the county from the various RS programs. Although, as will be shown in Table No. C-4, total RS receipts more than doubled during the 10-year study period, their rate of increase was less than that for other receipts and, consequently, the share of RS payments in total county receipts declined. In 1957 net RS payments accounted for 14% of other taxes and revenues or 9% of total receipts while in 1966 the corresponding figures were 11% and 8%.

A very extensive bonded debt program financed a substantial portion of county expenditures during the period. The summary at the end of the case county digest contains details on the county's bonded debt as of 1966. Since 1956, outstanding bonded indebtedness increased $75.4 million; however, when compared with the annual revenue or expenditure figures, the increase is not particularly unusual.

While total state taxes and local property taxes increased 11% as a percent of EBI, they increased 72% per capita over the 10-year period as shown in Table No.C-1a.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the period 1957-1966. Total expenditures increased 160% over the 10-year period, a per capita increase of 110%.

While the increase in expenditures for education is the most substantial in total amount, $30 million, the rate of increase of 91% is considerably less than the 159% increase in highway expenditures.

c. Property Taxes: Table No. C-3 contains detailed data for the assessed value of property subject to tax for the period 1957-1966. It shows a total increase in assessed values of 114% which is slightly less than the increase in total property tax collections. No substantial shifts occurred in the share of the various property categories except in the public utility category where the assessed value increased at a much lesser rate than in all other categories.

Included in the tax base are the assessed values of possessory interests on Federal lands. The fact that these account for an insignificant share of the total is due to the county's policy of taxing only improvements for residential, recreational and utility purposes. As shown in the summary at the end of this case study digest, their estimated 1966 total assessed value was $62,500, yielding tax revenues of approximately $5,000.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: Table No. C-4 contains the figures relating to land areas and RS payments by program for the period 1957-1966 to the extent that they were available from the cognizant Federal agencies. Because of the complexity of the laws and regulations attending the management and distribution of proceeds from O&C lands, the figures as stated in Table No. C-4 require further elaboration. Timber sales on O&C lands, as shown, include the acreage under BLM and FS management and also include RS payments emanating from O&C lands managed by the Forest Service. In other words, all O&C payments are distributed by BLM while management of the lands is under the jurisdiction of BLM and the Forest Service. The Oregon and California RS payments shown represent 50% of the revenue obtained from timber sales on O&C lands. The RS payments shown under the Forest Service represent 25% of the net revenues from timber sales on national forest lands. To obtain an insight into the relative productivity of the national forest lands as compared with the Oregon and California lands, the following figures have been prepared:

National Forests

RS payment 1966	$ 4,777,587
Net Revenue (100% = RS payment × 4)	19,110,368
K-V Fund collection	850,370
Timber purchaser road construction	2,053,887[1]
Total gross value of timber harvested	$22,014,625
Applicable acreage	1,307,537
Value per acre, timber harvested, 1966	$ 16.84
Net benefit to county, per acre	$ 3.65 = 21.7% of gross
If payment to county on gross revenue	$ 4.21 = 25% of gross

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[1] Represents timber purchaser road construction costs for all of Oregon, $23,366,177, allocated on basis of acreage, e.g. total state 14,866,648 : 1,307,357 = 8.79%. Expenditures in county, $6,158,873 as shown in Section IV.c. are unduly high for the year and would apply to net revenues for more than one year.

Oregon and California Lands

RS payment 1966	$ 3,152,282
Net revenue (RS payment X 2)	6,304,564
Applicable acreage	374,305
Value per acre, timber harvested, 1966	$16.84
Net benefit to county, per acre	$ 8.42
Ratio O&C versus NF per acre net benefit to county	2.3 times
Ratio of O&C versus NF if NF RS on gross rather than "net"	2.0 times

Thus, both types of land have shown similar revenue outputs per acre of land. Correspondingly, the RS payments from both sources reflect, for the most part, the difference in the share, viz. 25% versus 50% of net revenue. However, the net benefit to the county from RS payments on NF lands also reflects the practice of reducing the revenue available for RS by the K-V Fund collection and the cost of harvest road construction.

As stated earlier, total payments to the county during the 10-year period more than doubled while payments from outside grazing tracts and mineral leasing were practically nonexistent.

b. Indirect Benefits: Allocations to the county under the BPR Sliding Scale Programs were made in each of the years during the 10-year study period. Table No. C-5 contains the payments for this period which varied from a low of $36,487 in 1963 to a high of $170,535 in 1966.

c. Value of Free Goods and Services: The county obtained the free use of certain tracts of land and large quantities of construction materials from the various Federal lands. Table No. C-6 contains an estimate of the annual value of free goods and services provided. The total estimate is $33,821. The relatively large amount of construction materials provided to the county free of charge reflects the county's expansive road construction and maintenance program which, to a large extent, relates to access roads to the lumbering areas within the NF and the BLM lands.

d. Federal Facilities and Services Having Joint Use: The county benefits from the use of certain roads, bridges and rights-of-way constructed and maintained by the Forest Service. Based on the construction cost, annual operating cost and percentage of use by the county, an estimate of the annual value of the free use of these facilities has been prepared as follows:

Agency	Type of Service	Value
Forest Service	Roads and Bridges	$ 35,200
	Rights-of-Way	21,275
Total		$ 56,475

e. Resource Expenditures - Management: Table No. C-7 contains figures relating to resource expenditures by two of the three Federal agencies. The expenditures of the Corps of Engineers are related to dam construction and, as such, are not included in the resource expenditures of the agencies in Lane County.

While BLM expenditures for the years 1957-1962 are not available, the figures for the two agencies for the subsequent years show a rising trend and an average for the four years 1963-1966 of slightly over $6 million as compared with the total for 1966 of $7.7 million.

Under the provisions of the O&C Act the county receives 75% of the net revenue but returns to BLM for management one-third of the amount paid, or 25% of the net revenue. BLM expenditures during the four years for which figures were provided show a total of $4.2 million or an average of about $1 million per year. This might be compared with calculated O&C revenues of $6.3 million (the 1966 payment to the county multiplied by two). However, if to the expenditure figures reported by BLM an appropriate share of the expenditures by the Forest Service is added--namely those relating to its expenditure on the O&C lands--it is indicated that the management of the O&C lands, including the road constuction, equals approximately 25% of the net receipts from the sale of timber on O&C lands.

Tables No. C-7a1, 2 and 3 contain detailed expenditure figures by expense category for the available years.

IV. Burdens to Local Governments

a. Direct Burdens: To facilitate the large volume of timber sales in the county, considerable expenditures for road construction and maintenance are borne by the county. The expenditures reported by the Public Works Department of the county for 1966 are as follows:

Construction of roads and bridges	$1,324,202
Maintenance of roads and bridges	603,419
Total expenditures for roads and bridges to Federal lands.	$1,927,621

Other financial burdens, such as for fire protection and law enforcement have not been identified by the county though it must be assumed that such exist. The county's reluctance to identify the existence and magnitude of these burdens should be noted.

b. Indirect Burdens: The immunity of the Federal lands in Lane County to taxation is of relatively little concern because, if surface values only were assessed and taxed, they would result in a somewhat smaller tax potential than a share of these lands' productivity. Table No. C-8 contains an estimate of the assessable values if the lands were in private ownership and the resulting potential property tax. These figures reflect an average mill rate applied to typical surface values of the various land categories. They result in a potential tax revenue of $450,000 per year or an average yield of 26¢/acre.

If the assessment of these lands were based on an assessment policy which reflects also the value of the existing timber stands, then the total estimate, according to the Forest Service and the County Assessor, for the assessed value of these lands would amount to over $42 million with a potential tax yield of $3.3 million or approximately $2.10/acre.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: As shown in Table No. C-9, the Forest Service has made K-V Fund collections in each of the years during the 10-year period. These collections apply to revenues from the national forest only, excluding the revenues from O&C lands. The resulting reductions in revenues shared were under 5% of the net payment to the county and were substantially below the national average, although not insignificant.

Additionally, the RS payments to the county were reduced as a result of the Forest Service's practice of reducing the value of the timber purchase contracts by the estimated cost of construction and reconstruction of harvest roads. If this reduction had not been made in 1966--it amounted to $6,158,873--the RS payment to the county would have been increased by $1,539,718.

d. Public Laws 815 and 874: The county obtained Federal aid under PL 874 in each year during the 10-year period and obtained aid under PL 815 in three years of the 10-year study period. Detailed data are contained in Table No. C-10.

V. Impact of Present Systems

a. County Finance: The impact of the present systems upon county and other units of local government is extremely favorable and provides revenues which substantially exceed those which would be available to the county, under its present taxing policies, if the lands were in private ownership. This is due not only to the 50% net sharing provisions of the O&C Act but also to the relatively high productivity of the national forests. A summary of the total benefits accruing to the county can be stated as follows (1966 figures):

Revenue Sharing (C-4)	$ 7,931,638
Sliding Scale Payments (C-5)	170,535
Free Goods and Services (C-6)	33,821
Joint Use Facilities (III.d)	56,475
Total Direct Benefits	$ 8,192,469

From the above figures must be deducted the financial burdens resulting from the existence of public lands:

Direct Burden (IV.a)	$ 1,927,621
Resulting Net Direct Benefit	6,264,848 = 3.67/acre

Recasting the above figures to reflect the county's net benefits from Section 10 lands only (all shown above less O&C lands) by allocating the indirect benefits and the burden on an acreage basis, the following results obtain:

RS Exclusive of O&C	$ 4,779,356
Indirect Benefits, 78% of total	203,448
Total Direct Benefits	4,982,804
Burden, 78% of total	($ 1,503,544)
Resulting Net Benefits	3,479,260
Applicable Acreage	1,330,815
Net Benefit Per Acre	2.76

The same calculation for the Oregon and California lands results in the following.

RS	$ 3,152,282
Indirect Benefits, 22% of Total	57,383
Total Direct Benefits	3,209,665
Burden, 22% of Total	($ 424,077)
Resulting Net Benefit	2,785,588
Applicable Acreage	374,305
Net Benefit Per Acre	$ 7.44

As shown in Table No. C-8, potential tax revenue from assessment of the surface values of these lands was estimated to yield less than 6% of the revenues accruing to the county under the present system. Even if the assessed value were based on the surface value and the value of the timber stands, only 40% of the 1966 net benefits would result. Thus, Lane County benefits from the present system in a most advantageous manner. It should also be noted that the 1966 revenue from timber sales on national forest land and the RS from the Corps of Engineer project resulted in net revenue equal to $2.76/acre which, too, is substantially more than the county might obtain if the lands were in private ownership. Of course the 50% net share available to the county under O&C is of much greater benefit: it was shown to produce a rate of $7.44/acre which is about 4.7 times as much as might be obtained if the lands were in private ownership, given current Oregon assessment for timberlands.

b. The Overview: County officials are well aware of the advantageous results of the present system. Of course, they are aware that for some minor portion of the Federal lands in their county they obtain practically no revenues, i.e. the lands under Corps of Engineers' management. However, they also realize that this is offset by economic benefits resulting from the resources the dam construction has made available.

While these officials feel that the land management programs of the Forest Service and the Bureau of Land Management are technically superb, they claim that the general economic development in the county is hindered by the overly-conservative annual cutting quotas set by these agencies. Discussions with members of the wood-consuming industries point out that, statewide, there is considerable excess lumber mill capacity which cannot be utilized because of the restricted supply of timber from Federal lands. Thus, the conclusion might be drawn that, as in other counties, the management objectives of the BLM and the Forest Service are not oriented towards a maximization of the economic output, but, rather, reflect multiple use and long-term resource conservation policies.

LANE, OREGON

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service BLM Corps of Engineers	Residential, Recreational & Utility	$ 62,500	$ 5,000
	Total	$ 62,500	$ 5,000

Source: Federal Agencies' Headquarters and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Schools	$ 47,532,000	$ 30,874,500
Roads	1,556,450	851,239
Water, Sewage, & Drainage	27,963,000	22,135,000
Hospital	200,000	90.000
Other	44,261,728	40,450,000
Total	$121,513,178	$ 94,400,739

Source: Lane County Audit Reports.

C38-11

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Lane

STATE Oregon

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$10,259,766	$2,564,942	$ 12,824,708	$ 25,467,397	$ 38,292,105
1958	10,801,370	2,371,192	13,172,562	24,800,957	37,973,519
1959	12,109,451	2,136,693	14,246,144	29,551,624	43,797,768
1960	14,192,421	1,935,330	16,127,751	58,097,612	74,225,363
1961	16,311,627	2,224,313	18,535,940	37,087,680	55,623,620
1962	17,910,078	2,442,283	20,352,361	51,821,488	72,173,849
1963	18,652,569	2,543,532	21,196,101	56,466,354	77,662,455
1964	21,437,482	2,923,293	24,360,775	62,028,207	86,388,982
1965	23,307,122	3,178,244	26,485,366	61,560,438	88,045,804
1966	24,390,672	3,326,001	27,716,673	73,816,132	101,532,805
% incr./decr. '66 vs. 1st yr.	137.7	29.7	116.1	189.8	165.2

Source Lane County Audit Reports.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME
1957 - 1966

COUNTY Lane

STATE Oregon

YEAR	State Taxes ($000) Sales & Gross Receipts (1)	State Taxes ($000) Individual Income (2)	State Taxes ($000) Other 1/ (3)	State Taxes ($000) Total 1/ (4)	Total State Taxes % of EBI (5)	Total State Taxes Per Capita($) (6)	Local Property Taxes % of EBI (7)	Local Property Taxes Per Capita($) (8)	Total of State & Local Property Taxes % of EBI (9)	Total of State & Local Property Taxes Per Capita($) (10)
1957	3,449	6,194	3,223	12,866	4.89	79.86	4.88	79.61	9.77	159.47
1958	3,482	4,192	2,381	10,055	3.96	67.03	5.19	87.82	9.15	154.85
1959	3,662	6,533	3,340	13,535	4.85	89.17	5.11	93.85	9.96	183.02
1960	3,864	8,968	4,265	17,097	5.20	103.37	4.90	97.51	10.10	200.88
1961	4,037	7,560	4,485	16,082	5.10	94.54	5.88	108.97	10.98	203.51
1962	4,218	8,342	5,086	17,646	5.25	97.71	6.06	112.69	11.31	210.40
1963	4,504	9,380	5,195	19,079	5.29	102.41	5.88	113.77	11.17	216.18
1964	5,530	11,489	5,272	22,291	5.61	121.15	6.13	132.40	11.74	253.55
1965	5,837	12,988	5,808	24,633	5.66	130.20	6.09	139.99	11.75	270.19
1966	5,717	14,958	6,332	27,007	5.21	134.97	5.35	138.51	10.56	273.48

1/ Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col (7).
Col. (10) = Col. (6) + Col. (8).

C38-12

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Lane

STATE Oregon

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$18,799,198	$ 3,467,550	$ 14,337,696	$ 36,604,444	$ 227
1958	17,545,480	3,414,185	13,871,897	34,831,562	232
1959	21,775,771	3,839,935	13,991,053	39,606,759	261
1960	23,160,126	4,169,450	17,631,743	44,960,319	272
1961	25,447,560	4,465,020	29,435,938	59,348,518	349
1962	30,327,418	5,134,473	41,375,718	76,837,609	425
1963	34,193,449	5,973,301	29,159,566	69,326,316	372
1964	36,216,504	7,915,552	33,395,575	77,527,631	421
1965	37,636,667	8,135,518	37,731,144	83,503,329	441
1966	48,823,360	11,482,196	35,035,118	95,340,674	476
% incr./decr.'66 vs. first year	159.7	231.1	144.4	160.5	109.7
% incr./decr.'66 vs. first year per capita	91.5	159.1	96.6	109.7	

Source: Lane County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

County Lane

State Oregon

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial, Industrial	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal 2/	(7) Other 2/	(8) Total Assessed Value
1957 Assessed Value Aver. Tax Rate 93.5 mills	$ 63,104,075	$ 38,399,360	$19,180,273	$ 5,485,620	$ 10,971,250			$ 137,140,578
Item % of Total	46.0	28.0	14.0	4.0	8.0			100.0
1958 Assessed Value Aver. Tax Rate 86.6 mills	63,903,885	42,577,730	16,689,695	6,082,530	22,809,500			152,063,340
1959 Assessed Value Aver. Tax Rate 87.9 mills	74,874,385	43,097,320	14,845,975	6,156,760	23,087,850			162,062,290
1960 Assessed Value Aver. Tax Rate 92.2 mills	80,536,285	48,368,410	14,893,435	6,909,770	24,184,210			174,892,110
1961 Assessed Value Aver. Tax Rate 89.2 mills	95,701,268	57,659,790	17,448,698	8,237,110	28,829,890			207,876,756
1962 Assessed Value Aver. Tax Rate 96.5 mills	104,532,130	58,459,170	18,649,681	8,351,310	20,878,270			210,870,562
1963 Assessed Value Aver. Tax Rate 98.8 mills	102,535,310	61,412,620	19,842,134	8,773,230	21,933,080			214,496,374
1964 Assessed Value Aver. Tax Rate 102.5 mills	115,637,790	66,549,260	22,214,269	9,507,040	23,767,600			237,675,959
1965 Assessed Value Aver. Tax Rate 102.5 mills	128,341,550	72,343,000	24,095,837	10,333,390	23,253,010			258,366,787
1966 Assessed Value 1/ Aver. Tax Rate 94.4 mills	146,965,286	82,208,460	26,259,694	11,748,070	26,424,150			293,605,660
Item % of Total	50.1	28.0	8.9	4.0	9.0			100.0
Increase/Decrease '66 vs. '57	132.9	114.1	36.9	114.2	140.8			114.1

1/ Assessed value represents 25 percent of actual market value in 1966.
2/ Included in other items.
Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

C38-14

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = OREGON COUNTY = LANE										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	2126233	1838533	2478681	2507697	2610864	3018742	3460017	2941902	3837174	4777585
PERCENT BASE YEAR	100.0	86.5	116.6	117.9	122.8	142.0	162.7	138.4	180.5	224.7
PROGRAM ACREAGE	1307847	1309228	1309228	1309231	1309228	1309361	1309288	1309290	1309375	1307537
REVENUE $ PER ACRE	1.63	1.40	1.89	1.92	1.99	2.31	2.64	2.25	2.93	3.65
MINERAL LEASING ACT										
FEDERAL PAYMENTS ($)	NA	NA	NA	840	0	0	168	120	0	0
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	0.0	0.0	20.0	14.3	0.0	0.0
TAYLOR GRAZE SECT 15 *										
FEDERAL PAYMENTS ($)	NA	NA	NA	0	0	13	0	0	0	0
PERCENT BASE YEAR	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	2126233	1838533	2478681	2508537	2610864	3018755	3460185	2942022	3837174	4777585
PERCENT BASE YEAR	100.0	86.5	116.6	118.0	122.8	142.0	162.7	138.4	180.5	224.7
PROGRAM ACREAGE	1307847	1309228	1309228	1309231	1309228	1309361	1309288	1309290	1309375	1307537
REVENUE $ PER ACRE	1.63	1.40	1.89	1.92	1.99	2.31	2.64	2.25	2.93	3.65

NA = data not available.

*Total land available under program in 1966 was 10,518 acres.

Revenues per acre in dollars have been truncated to the nearest cent; *i.e.*, $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

C38-15

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4A

FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS.NON SECTION 10 LANDS
(AND TOTALS FOR ALL SECTION 10 AND NONSECTION 10 PROGRAMS)

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = OREGON COUNTY = LANE										
O&C RAILROAD GRANT										
FEDERAL PAYMENTS ($)	1513013	1786101	2277765	2508699	2230356	2376241	2319325	3019546	3010667	3152282
PERCENT BASE YEAR	100.0	118.0	150.5	165.8	147.4	157.1	153.3	199.6	199.0	208.3
PROGRAM ACREAGE	374344	374344	374324	374324	374324	374305	374305	374305	374305	374305
REVENUE $ PER ACRE	4.04	4.77	6.09	6.70	5.96	6.35	6.20	8.07	8.04	8.42
FLOOD CONTROL PROGRAM*										
FEDERAL PAYMENTS ($)	1631	1741	2059	1392	1058	1102	1262	1417	1479	1769
PERCENT BASE YEAR	100.0	106.7	126.2	85.3	64.9	67.6	77.4	86.9	90.7	108.5
TOTAL ALL SECTION 10 & NONSECTION 10 PROGRAMS										
FEDERAL PAYMENTS ($)	3640877	3626375	4758505	5018628	4842278	5396098	5780772	5962985	6849320	7931636
PERCENT BASE YEAR	100.0	99.6	130.7	137.8	133.0	148.2	158.8	163.8	188.1	217.8
PROGRAM ACREAGE	1682191	1683572	1683552	1683555	1683552	1683666	1683593	1683595	1683680	1681842
REVENUE $ PER ACRE	2.16	2.15	2.83	2.98	2.88	3.20	3.43	3.54	4.07	4.72

*Total land available under program in 1966 was 12,760 acres.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

C38-16

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID, BPR SLIDING SCALE PROGRAM, IN COUNTY

COUNTY Lane

STATE Oregon

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ 741,000	$ 38,883
1958	1,035,000	43,573
1959	4,307,000	141,577
1960	6,183,000	169,893
1961	1,908,000	58,221
1962	5,053,000	149,041
1963	1,287,000	36,487
1964	3,002,000	96,350
1965	1,423,000	70,594
1966	3,274,000	170,535

Source: U.S. Bureau of Public Roads, allocation by EBSMC.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Lane

STATE: Oregon

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Land	$ 2,671
	Rights-of-way	660
	Construction Material	7,525
BLM	Construction Material	22,795
	Parcels	170
C of E	None	0
	Total	$ 33,821

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County Lane

State Oregon

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES 1/

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 844,710	$ 728,030	$ 1,572,740
1958	1,235,460	580,710	1,816,170
1959	1,273,710	1,053,380	2,327,090
1960	1,320,250	1,120,660	2,440,910
1961	1,501,850	1,229,530	2,731,380
1962	2,022,370	1,012,480	3,034,850
1963	3,007,120	1,380,340	4,387,460
1964	3,033,150	2,491,490	5,524,640
1965	5,058,940	1,680,790	6,739,730
1966	4,296,390	3,380,550	7,676,940
Average Year 2/	3,848,900	2,233,292	6,082,192
Item % of Total, Average Year	63.3	36.7	100.0

1/ 1957-1962 figures for FS only, BLM data NA.
2/ Computed on basis of 1963-1966 figures.

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Siuslaw, Umpqua, & Willamette National Forests

County Lane

State Oregon

TABLE NO. C-7a

Page 1 of 3

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 174,990	$ 910	$ 10,130	$ 611,910	$ 152,220	$ 3,260	$ 13,590	$ 0	$ 605,720	$1,572,730
1958	225,500	910	18,710	696,820	149,440	2,540	70,170	0	652,040	1,816,130
1959	364,260	1,810	27,470	938,550	258,220	3,940	81,170	390	651,280	2,327,090
1960	220,120	1,510	27,310	866,280	339,470	4,840	77,530	1,120	902,750	2,440,930
1961	222,480	1,630	53,220	1,060,010	329,950	6,260	113,750	2,490	941,590	2,731,380
1962	244,240	1,420	60,290	1,086,470	387,350	4,750	218,860	7,820	1,023,660	3,034,860
1963	205,250	3,210	78,670	1,354,510	506,460	11,730	277,620	14,270	1,285,160	3,736,880
1964	195,140	5,690	51,190	1,982,870	564,620	6,250	274,530	12,900	1,525,660	4,618,850
1965	173,720	12,060	153,700	2,811,610	664,650	6,230	250,010	15,470	1,465,670	5,553,120
1966	250,030	11,800	226,680	2,734,090	841,210	8,790	467,090	19,410	1,518,650	6,077,750

Source: Federal Agencies' Field Offices.

C38-20

Federal Agency Corps of Engineers

Program Civil Works Projects

County Lane

State Oregon

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 0	$ 0	$ 0	$ 1,759,825	$ 0	$ 0	$ 0	$ 0	$ 6,343,654	$8,103,479
1958	0	0	0	770,214	0	0	0	0	6,343,654	7,113,868
1959	0	0	0	770,214	0	0	0	0	6,343,654	7,113,868
1960	0	0	0	770,214	0	0	0	0	6,343,654	7,113,868
1961	0	0	0	770,214	0	0	0	0	6,343,654	7,113,868
1962	0	0	0	770,214	0	0	0	0	6,343,654	7,113,868
1963	0	0	0	0	0	0	0	0	6,343,654	6,343,654
1964	0	0	0	0	0	0	0	0	6,343,654	6,343,654
1965	0	0	0	0	0	0	0	0	0	0
1966	0	0	0	160,000	0	0	0	0	0	160,000

Source: Federal Agencies' Field Offices.

C38-21

Federal Agency Interior - BLM

Program All

County Lane

State Oregon

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

C38-22

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ NA	$ 0	$ NA	$ NA	$ NA	$ 0	$ NA	$ 0	$ NA	$ NA
1958	NA	0	NA	NA	NA	0	NA	0	NA	NA
1959	NA	0	NA	NA	NA	0	NA	0	NA	NA
1960	NA	0	NA	NA	NA	0	NA	0	NA	NA
1961	NA	0	NA	NA	NA	0	NA	0	NA	NA
1962	NA	0	NA	NA	NA	0	NA	0	NA	NA
1963	69,800	0	10,000	42,000[1]	76,800	0	27,000	0	425,000	650,600
1964	87,900	0	10,500	42,000[1]	102,400	0	23,000	0	640,000	905,800
1965	86,800	0	9,900	222,300	112,100	0	260,500	0	495,000	1,186,600
1966	95,200	0	45,000	887,300	124,400	0	30,300	0	417,000	1,599,200

[1] Maintenance cost only, construction costs not available in District for FY '63 or '64.

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Lane

STATE Oregon

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Commercial Forest (O&C)	$ 3.90	374,305	$ 1,459,790	68.3	$ 99,704	27c
Commercial Forest (NF)	3.90	1,307,537	5,099,394	68.3	348,289	27
BLM						
Grazing Lands (TG 15)	1.50	10,518	15,770	68.3	1,077	10
Various Lands (civil projects)	1.00	12,760	12,760	68.3	872	7
Totals	$ 3.86	1,705,120	$ 6,587,714	68.3	$ 449,942	26c

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

C38-23

Federal Agency **US Forest Service**

Revenue Sharing Program **Siuslaw, Umpqua & Willamette National Forests** (25%)[a/]

County **Lane**

State **Oregon**

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 x a/)
1957	$ 8,559,967	$ 66,207	$ 8,493,760	$ 2,126,235	$ 16,552
1958	7,466,160	128,310	7,337,850	1,838,534	32,078
1959	10,123,570	209,860	9,913,710	2,478,681	52,465
1960	10,326,290	298,670	10,027,620	2,507,698	74,668
1961	10,717,720	276,480	10,441,240	2,610,866	69,120
1962	12,499,610	425,600	12,074,010	3,018,693	106,400
1963	14,431,630	592,390	13,839,240	3,460,017	148,098
1964	12,345,520	577,760	11,767,760	2,941,904	144,440
1965	16,035,770	694,830	15,340,940	3,837,176	173,708
1966	19,960,190	850,370	19,109,820	4,777,587	212,592

Source **Federal Agencies' Field Offices.**

C38-24

County Lane

State Oregon

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

		P.L. 815		P.L. 874	
Years	Total School Budget	Aid Provided	% of Total Budget	Aid Provided	% of Total Budget
1957	$ 18,799,198	$ 0	0	$ 94,444	.50
1958	17,545,480	0	0	48,309	.28
1959	21,775,771	0	0	133,891	.61
1960	23,160,126	81,000	.35	141,672	.61
1961	25,447,560	60,960	.24	118,267	.46
1962	30,327,418	34,640	.11	172,430	.57
1963	34,193,449	0	0	133,603	.39
1964	36,216,504	0	0	179,467	.50
1965	37,636,667	0	0	159,903	.42
1966	48,823,360	0	0	141,106	.29

Sources: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

CASE COUNTY DIGEST
FOREST, PENNSYLVANIA

I. The County

a. General Description: Forest is a small, rural county located in the northwest portion of the state approximately 50 miles south of the New York border and 50 miles east of the Ohio border. The county seat, Tionesta, is the only municipality in the county. There are eight townships and eight school districts but no special districts.

The municipality and the townships, despite their very small populations, provide certain governmental services which include administration, financial control, collection of local taxes, maintenance of streets, law enforcement, fire protection, sanitation and refuse collection facilities. The school districts are part of the township operations; however, their tax assessment and collection are provided by the county government. The county government also provides the balance of public services, including those relating to local services, health and welfare, resource development, public safety and veterans' affairs. All cemetery and utility operations are provided by private companies.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	4,485	1966	2	4,500	0.3
Urban[1]	1960	1	0	1966	2	0	0
Rural	1960	1	4,485	1966	2	4,500	0.3
Employment	1959	3	817	1966	3	825	1.0
Effective Buying Income ($000)	1960	2	5,747	1966	2	8,973	56.1
Per Capita EBI($)	1960	2	1,277	1966	2	1,994	56.1
Public School Enrollment (K-12)	1960	1	1,071	1966	4	1,200	12.0

1/ Includes areas of 2,500 people or more.

Sources: See Page C39-2

These figures show that during the 1960-1966 period the county population did not increase and there was only a very small increase in employment. However, total effective buying income grew substantially during that period and the 1966 per capita EBI of just under $2,000 is a reflection of economic progress in this rural county. Public school enrollment (K-12) increased by about 12% despite the unchanged population figure.

c. The Land: Of the 268,000 acres comprising Forest County, about 43% or 115,600 acres are in Federal ownership.

The Federal lands are composed of (1966):

Forest Service (FS) - Allegheny National Forest	112,782 acres
Corps of Engineers (C of E) - Civil Works, Tionesta Reservoir	2,797 acres
Total	115,579 acres

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the years 1957-1966. Total receipts increased by 50% during the 10-year period, amounting to $310,000. About 40% of the increased revenues are from property taxation and the balance from "Other Taxes and Revenues". In 1966 revenues from property taxes accounted for over 46% of total county revenues, including payments under the two applicable RS programs.

The face value of the county's bonded indebtedness is over $1.3 million of which in 1966, $974,000 remained outstanding. The summary enclosed at the end of the case study digest contains pertinent details.

Table No. C-1a shows that while total state taxes and local property taxes collected in the county declined as a percent of EBI by 22% over the 10-year period, on a per capita basis the tax burden increased by 37%. Collection of state taxes per capita rose by 38% while the rate of increase for local property taxes was 35%, although both declined as a percent of EBI.

Sources: 1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

b. Expenditures: Table No. C-2 contains detailed expenditure figures for the 10-year study period. It shows a rise in total expenditures of 65%.

Expenditures for education rose by $246,000, a rate of increase of almost 60%. Expenditures for items other than education and highways rose at almost twice the rate of expenditures for education, but they account for less than 25% of total expenditures, while the expenditures for education account for over 65% of the total.

c. Property Tax: The county's property assessment records and its system of property taxation reflect three types of property subject to property tax. They are buildings, land, and personal property. Table No. C-3 contains assessed values for these types of properties and the total for the period 1957-1966. It shows an increase in total assessed value over the 10-year period of about $1 million or 33%. While personal property assessment, which represents an insignificant share of the total, declined by about $55,000, the assessed value for buildings rose by 45% or about $780,000 and the assessment for land by 22% or about $275,000. The tax rate after declining in 1961 and 1962, increased in 1964 and 1965 and in 1966 reached an all-time high of 107 mills as a weighted county-wide average.

Included in the assessed value of taxable properties are the value of leasehold improvements on public lands. The summary at the end of the case study digest contains pertinent details and shows a total assessed value of $16,500, yielding an annual tax revenue of $1,760.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: Table No. C-4 contains details of payments under the two revenue sharing programs applicable to Forest County. Payments from the National Forest Fund steadily increased and reached a high of $61,600 in 1965. The 1966 figure shows a decline to $56,400, though this amount is greater than the amount shared in any previous year except 1965.

Payments from the C of E-managed lands were of very small magnitude in each of the years except 1966, the year during which one single payment for an oil and gas lease provided for an RS payment of $4,000. The total RS payments range from a low of $16, 00 in 1958 to a high of $61,700 in 1965 and represent as little as 3% and as much as 7% of total county receipts.

b. Indirect Benefits: The State of Pennsylvania does not qualify for the BPR Sliding Scale Highway Aid Program and, consequently, no allocations under this program have been made to Forest County.

c. Value of Free Goods and Services: The FS only provided the county with the free use of certain tracts of land for recreation areas, roads and utility rights-of-way. In addition, it has benefited the county by the conduct of special construction projects operated within the framework of the Job Corps Program. Table No. C-6 contains an estimate of the annual value of these free uses of land and services. It shows an estimate of the recurring annual value of over $18,000.

d. Federal Facilities and Services Having Joint Use: Neither of the two agencies reported the county's joint use of any of their facilities.

e. Resource Expenditures - Management: Both FS and C of E have made resource program expenditures during each of the years in the 10-year period. Table No. C-7 contains a summary of the expenditures by both agencies during the 10-year period. It shows an average annual expenditure of just under $123,000, of which 21% was applicable to capital expenditure. Tables No. C-7a1 and 2 contain details of the resource program expenditures by year and expenditure category.

A survey of management functions performed by the two Federal agencies indicated them to be engaged in routine land management activities with no particular emphasis upon a maximization of economic output or a reflection of the revenue sharing provisions.

IV. Burdens to Local Government

a. Direct Burdens: County officials indicated that, due to the lack of funds for the extension of public services, its activities relating to the Federal lands are of a limited nature. For example, the county does not patrol the Federal lands for law enforcement or fire protection purposes. Neither does it contribute significantly to the maintenance of roads within the national forest area, and the desire of the FS to turn over certain roads for county maintenance was rejected due to the unavailability of funds for such a purpose. It was estimated, however, that within the limited road maintenance program the county is providing, it has incurred expenditures of about $5,000 per year in the maintenance of public lands.

b. Indirect Burden: The Federal lands in Forest County contain a small quantity suitable for residential and second home sites. These lands are of relatively high value and if they were in private ownership would yield substantial tax revenues. The remainder of the Federal land is timberland with a relatively low surface value. Table No. C-8 contains an estimate of the assessable value of these lands and the potential tax which might be obtained from them if they were in private ownership. It shows a total tax potential of $21,400 per year or 18¢/acre. Such potential tax revenue would be equal to about one-third of the revenue provided from the present RS programs, primarily the National Forest Fund.

c. Loss in Revenues as a Result of Sharing Net Versus Gross: The FS has made K-V Fund collections in each of the years 1961-1966. The collections applicable to net receipts in Forest County were estimated by establishing the relationship between net receipts in this county and total net receipts from all Allegheny Forest timber sales. Table No. C-9 contains the estimated K-V collections and the resulting revenue share "lost". It shows that the K-V collections varied from 8% of gross receipts to 13% of gross receipts in any year. The resulting revenue share "lost" in 1966 of $8,800 was equal to 16% of the RS payment.

Additionally the RS payments to the county were reduced as a result of the FS's practice of reducing the value of the timber purchase contracts by the estimated cost of construction and reconstruction of harvest roads. If this reduction had not been made in 1966 -- it amounted to $30,867 -- the RS payment to the county would have been increased by $7,717.

d. Public Laws 815 and 874: The county has not qualified for Federal aid under these laws.

V. Impact of Present System

a. County Finance: Although total RS payments and other benefits amount to but a small share of total county revenues, the impact of the present system is favorable as compared with potential tax revenues from private ownership. The present system in 1966 provided:

Revenue Sharing (C-4)	$60,242
Free Goods and Services (C-6) (recurring items only)	18,171
Total Direct Benefits	$78,413

From these must be deducted the direct burden attributable to the presence of public lands:

Direct Burden (IV.a.)	\$ 5,000
Resulting Net Direct Benefits	\$73,413 = 63¢/acre

The above total and per acre revenue compares favorably with the estimate of potential property tax, as shown in Table No. C-8, of \$21,700 or 19¢/acre. The present RS program results in direct benefits which are 3.3 times as great as might be estimated to result from private ownership.

b. The Overview: It was reported by FS officials that due to the poor economic conditions in the county special efforts are made to provide and maintain the relatively large RS payments from the National Forest Fund. This is done in part by minimizing the deductions from gross receipts for access road building and, if economic activity were to drop significantly in any one year, the FS would initiate a temporary road construction program, in lieu of the high quality permanent road construction, so as to increase the revenues available for RS.

The only aspect comprising a discernible disbenefit to the county is the loss of taxation from highly desirable residential and second home quality lands. According to county officials, if these lands were made available, they would not only provide substantial tax revenues based on the surface value of these lands up to \$22 per acre but it could also be expected that improvements of substantial value would be constructed thereon and thereby yield additional tax revenues. Conversely, C of E officials have stated that in other counties in which the Tionesta Reservoir is located a large number of easements have been granted but that in Forest County, development along the reservoir has been impeded by the poor financial conditions of the county and the lack of private development capital. Therefore, these officials doubt that, in fact, substantial tax revenues might become available to the county if easements were granted.

FOREST, PENNSYLVANIA

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Recreational	$15,934	$1,705
C of E	Commercial	514	55
	Total	$16,448	$1,760

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Reassessment project in county	$ 65,000	$ 5,000
Schools	1,241,922	969,114
Total	$1,306,922	$974,114

Source: Forest County Audit Reports.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Forest

STATE Pennsylvania

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 301,796	$ 1/	$ 301,796	$ 318,860	$ 620,656
1958	307,949		307,949	342,450	650,399
1959	321,600		321,600	338,843	660,443
1960	322,709		322,709	364,879	687,588
1961	328,313		328,313	352,254	680,567
1952	345,282		345,282	392,385	737,667
1963	373,516		373,516	428,370	801,886
1964	384,937		384,937	435,876	820,813
1965	398,620		398,620	451,643	850,263
1966	429,569		429,569	501 200	930,769
% incr./decr. '66 vs. 1st yr.	42.3		42.3	57.2	50.0

1/ Forest County collects slightly over $1,000 per year on personal property tax. This amount has been included with real property tax.

Source Forest County Audit Reports by taxing jurisdiction.

C31—8

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME
1957 - 1966

COUNTY **Forest**

STATE **Pennsylvania**

YEAR	State Taxes ($000) Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	Total State Taxes % of EBI (5)	Per Capita($) (6)	Local Property Taxes % of EBI (7)	Per Capita($) (8)	Total of State & Local Property Taxes % of EBI (9)	Per Capita($) (10)
1957	172	0	120	292	6.01	67.91	6.21	70.19	12.22	138.10
1958	171	0	91	262	5.25	60.00	6.17	73.32	11.22	133.32
1959	214	0	108	322	4.98	61.92	4.97	61.85	9.95	123.77
1960	233	0	97	330	5.74	73.33	5.62	71.71	11.36	144.90
1961	321	0	109	430	6.39	97.73	4.88	74.62	11.27	172.35
1962	297	0	101	398	5.96	92.56	5.17	80.30	11.13	172.86
1963	309	0	106	415	6.06	96.51	5.45	86.86	11.51	183.37
1964	262	0	100	362	4.96	84.19	5.27	89.52	10.23	173.71
1965	266	0	123	389	4.86	88.41	4.98	90.60	9.84	179.01
1966	301	0	122	423	4.71	94.00	4.79	95.46	9.50	189.46

1/ Excludes Corporation Net Income Taxes.

Sources: Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col. (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

C34-9

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Forest

STATE Pennsylvania

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$ 411,367	$ 78,446	$ 111,548	$ 601,361	$ 140
1958	426,833	88,344	98,976	614,153	146
1959	438,741	77,485	152,847	669,073	129
1960	465,395	83,146	123,627	672,168	149
1961	481,931	76,066	126,177	684,174	155
1962	497,496	68,211	147,185	712,892	166
1963	528,064	94,206	179,318	801,588	186
1964	555,368	93,146	172,073	820,587	191
1965	575,525	82,979	185,382	843,886	192
1966	657,160	97,621	238,467	993,248	221
% incr./decr.'66 vs. first year	59.8	24.4	113.8	65.2	57.9
% incr./decr.'66 vs. first year per capita	52.1	22.2	103.8	57.9	

Source: Forest County Audit Reports by taxing jurisdiction.
Col. (5): Col. (4) divided by population estimates, Sales Management

C39-10

County Forest

State Pennsylvania

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential2/	(2) Buildings	(3) Public Utility 2/	(4) Land	(5) Mineral, Timber Other Nat. Res. 2/	(6) Personal	(7) Other2/	(8) Total Assessed Value
1957 Assessed Value	$	$ 1,707,992	$	$1,224,234	$	$ 80,600	$	$3,012,826
Aver. Tax Rate 97 mills								
Item % of Total		56.7		40.6		2.7		100.0
1958 Assessed Value		1,845,486		1,348,300		47,925		3,241,711
Aver. Tax Rate 96 mills								
1959 Assessed Value		1,935,620		1,376,542		50,050		3,362,212
Aver. Tax Rate 97 mills								
1960 Assessed Value		2,027,690		1,396,864		41,200		3,465,754
Aver. Tax Rate 94 mills								
1961 Assessed Value		2,144,735		1,420,720		33,925		3,599,380
Aver. Tax Rate 92 mills								
1962 Assessed Value		2,213,909		1,427,779		35,250		3,676,938
Aver. Tax Rate 92 mills								
1963 Assessed Value		2,272,125		1,443,170		26,475		3,741,770
Aver. Tax Rate 100 mills								
1964 Assessed Value		2,335,000		1,487,239		25,800		3,848,039
Aver. Tax Rate 100 mills								
1965 Assessed Value		2,388,885		1,491,465		25,225		3,905,575
Aver. Tax Rate 102 mills								
1966 Assessed Value1/		2,484,175		1,499,965		25,625		4,009,764
Aver. Tax Rate 107 mills								
Item % of Total		62.0		37.4		0.6		100.0
Increase/Decrease '66 vs. '57		45.4		22.5		(68.2)		33.1

1/Assessed value represents 25 percent of actual market value in 1966.

2/Included in other items.

Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

C39-11

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = PENNSYLVANIA COUNTY = FOREST										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	17059	15697	26893	34732	30238	45405	47199	51018	61622	56373
PERCENT BASE YEAR	100.0	92.0	157.6	203.6	177.3	266.2	276.7	299.1	361.2	330.5
PROGRAM ACREAGE	111071	111071	111071	111071	111071	111125	111125	111126	111371	112782
REVENUE $ PER ACRE	0.15	0.14	0.24	0.31	0.27	0.41	0.42	0.46	0.55	0.50
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	17059	15697	26893	34732	30238	45405	47199	51018	61622	56373
PERCENT BASE YEAR	100.0	92.0	157.6	203.6	177.3	266.2	276.7	299.1	361.2	330.5
PROGRAM ACREAGE	111071	111071	111071	111071	111071	111125	111125	111126	111371	112782
REVENUE $ PER ACRE	0.15	0.14	0.24	0.31	0.27	0.41	0.42	0.46	0.55	0.50

C34-12

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.049 is shown as $0.04. Revenues per acre for all programs combined are affected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4A
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS.NON SECTION 10 LANDS
(AND TOTALS FOR ALL SECTION 10 AND NONSECTION 10 PROGRAMS)

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = PENNSYLVANIA										
COUNTY = FOREST										
FLOOD CONTROL PROGRAM *										
FEDERAL PAYMENTS ($)	0	518	487	75	114	114	124	113	113	3869
PERCENT BASE YEAR	0.0	100.0	94.0	14.5	22.0	22.0	23.9	21.8	21.8	746.9
TOTAL ALL SECTION 10 & NONSECTION 10 PROGRAMS										
FEDERAL PAYMENTS ($)	17059	16215	27380	34807	30352	45519	47323	51131	61735	60242
PERCENT BASE YEAR	100.0	95.0	160.5	204.0	177.9	266.8	277.4	299.7	361.9	353.1
PROGRAM ACREAGE	111071	111071	111071	111071	111071	111125	111125	111126	111371	112782
REVENUE $ PER ACRE	0.15	0.15	0.25	0.31	0.27	0.41	0.43	0.46	0.55	0.53

*Total land available under program in 1966 was 2,797 acres.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

C39-13

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Forest

STATE: Pennsylvania

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Recreation Areas	$ 10,133
	Roads and Rights-of-way	7,368
	Power and Pipe Line Rights-of-way	670
	Other	19,959[1]
Corps of Engineers	None	0
Total		$ 38,130
Less "Other"		19,959
Total estimated receiving annual value		$ 18,171

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[1] One time project under Job Corps program.

Source: Federal Agencies' Field Offices, EBSMC Estimates.

C34-74

County Forest

State Pennsylvania

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 44,709	$ 9,300	$ 54,009
1958	54,513	0	54,513
1959	72,597	4,976	77,573
1960	87,300	36,901	124,201
1961	83,543	91,352	174,895
1962	100,438	35,115	135,553
1963	95,608	35,739	131,347
1964	119,344	20,795	140,139
1965	144,681	14,193	158,874
1966	168,117	8,942	177,059
Average Year	97,085	25,731	122,816
Item % of Total, Average Year	79.0	21.0	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

C39-15

Federal Agency US Forest Service

Program Allegheny National Forest

County Forest

State Pennsylvania

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 5,497	$ 0	$ 0	$ 399	$ 460	$ 678	$ 873	$ 118	$ 220	$ 8,244
1958	4,873	0	0	541	504	0	4,590	668	587	11,763
1959	4,616	0	0	628	434	0	4,634	150	750	11,213
1960	5,180	0	0	25,535	426	1,323	9,536	5,719	1,568	47,286
1961	5,031	0	0	55,259	27	1,794	25,994	1,708	1,002	90,815
1962	5,894	0	0	27,785	738	206	8,541	3,509	1,104	47,773
1963	7,226	0	0	27,784	4,535	196	11,410	3,937	2,600	57,688
1964	6,415	0	0	31,181	370	243	11,884	2,732	132	52,957
1965	4,270	0	0	25,141	1,372	1,696	8,071	4,052	92	44,694
1966	7,216	0	0	24,944	2,196	534	14,608	6,258	1,470	57,227

C34-16

Source: Federal Agencies' Field Offices.

Federal Agency Corps of Engineers

Program Tionesta Reservoir

County Forest

State Pennsylvania

TABLE NO. C-7a

Page 2 of 2

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other1/	Total Resource Expenditure
1957	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 17,700	$ 0	$ 28,065	$ 45,765
1958	0	0	0	0	0	0	7,700	0	35,050	42,750
1959	0	0	0	5,000	0	0	10,000	0	51,360	66,360
1960	0	0	0	19,000	0	0	33,000	0	41,914	74,914
1961	0	0	0	0	0	0	39,000	0	45,080	84,080
1962	0	0	0	0	0	0	21,000	0	66,676	87,776
1963	0	0	0	5,700	0	0	14,500	0	59,160	73,660
1964	0	0	0	12,450	0	0	26,500	0	60,682	87,182
1965	0	0	0	0	0	0	54,600	0	59,580	114,180
1966	0	0	0	0	0	0	43,700	0	76,132	119,832

1/ Operation & Maintenance expenditure not otherwise included.

Source: Federal Agencies' Field Offices.

C 34-17

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Forest

STATE Pennsylvania

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service Timberland	$ 2.20	112,782	$ 248,120	63	$ 15,632	14¢
C of E						
Lake	330.00	250	82,500	66	5,445	2178
Forest Land	2.20	2,547	5,603	62	347	14
Totals	$ 2.91	115,579	$ 336,223	64	$ 21,424	18¢

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

C37-18

Federal Agency US Forest Service

Revenue Sharing Program Allegheny National Forest (25% a/)

County Forest

State Pennsylvania

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections 1/	(3) Net Receipts (Col. 1 - 2) 1/	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 × a/)
1957	$ NA	$ NA	$ NA	$ NA	$ NA
1958	NA	NA	NA	NA	NA
1959	NA	NA	NA	NA	NA
1960	NA	NA	NA	NA	NA
1961	132,205	11,249	120,956	30,239	2,812
1962	207,228	25,608	181,620	45,405	6,402
1963	214,095	25,299	188,796	47,199	6,325
1964	234,887	30,815	204,072	51,018	7,704
1965	274,095	27,607	246,488	61,622	6,902
1966	260,669	35,177	225,492	56,373	8,794

1/ Estimated by EBSMC by establishing relationship between county net receipts and total net receipts from all Allegheny forest timber sales.

Source Federal Agencies' Field Offices.

C37-19

CASE COUNTY DIGEST
PENNINGTON, SOUTH DAKOTA

I. The County

a. General Description: Pennington is a large county located in the western section of the state and bordering on Wyoming. The county seat, Rapid City, is approximately 75 miles north of the Nebraska border. The county contains six municipalities, 21 townships, 53 school districts and three special districts. The municipalities and townships provide a minimum of services, relying upon the county for their provision to the public. Both the municipalities and the townships provide administration, limited financial control and road maintenance and construction. The municipalities also provide law enforcement, fire protection, sanitation facilities and refuse collection. The county provides tax assessment and collection, highway maintenance and construction, health and welfare and general financial control to the county as a whole since these functions are not provided by lower levels of government.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity		Source	Quantity	Percent Change
Population	1960	1	58,195	1966	2	65,900	13.2
Urban[1]	1960	1	42,424	1966	2	41,300	-2.6
Rural	1960	1	15,771	1966	2	24,600	56.0
Employment	1959	3	9,461	1966	3	11,399	20.5
Effective Buying Income ($000)	1960	2	94,939	1966	2	173,556	82.8
Per Capita EBI ($)	1960	2	1,585	1966	2	2,634	66.2
Public School Enrollment (K-12)	1960	1	13,056	1965	4	17,200	31.7

1/ Includes areas of 2,500 people or more.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

These figures indicate growth in all categories except for a small decline in the urban population during the 1960-1966 period. The county's increasingly healthy economic condition is reflected in the growth in employment (which increased approximately 50% more than population) and the large increase in effective buying income and per capita EBI. The growth in public school enrollment (K-12) reflects both the population increase and a change in the composition of total population.

c. The Land: Of the total land area of nearly 1.8 million acres over 612,000 are subject to revenue sharing programs. In addition to these Federal lands, which constitute 34% of the county's total land area, there are other Federal lands within the county which do not provide any PILT or RS. These lands include the Mt. Rushmore National Monument, the Badlands National Monument and Ellsworth Air Force Base. These latter Federal properties also extend into other counties and the acreage within Pennington County was not available. Compared with the RS-subject acreage this non-PILT and RS land is understood to be relatively small and declining, since approximately 241,000 acres of the total 246,643 acres included in the Air Force Base are in the process of reverting to private ownership. Within Pennington County only 2,000 acres will remain as part of the Air Force Base when the transfer of land to private ownership is completed.

As of 1966, the RS subject lands were composed of the following:

Forest Service (FS):	
Black Hills National Forest	389,495
Wall District, National Grasslands	205,258
Bureau of Land Management (BLM):	
Outside Grazing Lands - TG-15	17,482
Total	612,235

II. County Finance

a. Revenue: Table No. C-1 contains revenue data for the period 1957-1966. The figures in column five, Total Receipts, were taken from official county records while the figures in all other columns were provided by the county's Chief Clerk and are based on her estimates. Official records for these figures are not available and the county has not been required to maintain such records. The Chief Clerk advised that she believes her allocations to be reasonably accurate, although it is clear that this allocation, which shows an identical rate of growth for all revenue sources, cannot be accepted as precisely accurate.

Total receipts over the 10-year period show an increase of approximately \$6.5 million or 108 %.

During the period 1956-1966, the county's bonded indebtedness tripled. The summary enclosed at the end of the case study digest contains bonded indebtedness data as of 1966. Debt for school construction accounted for about \$3.7 million of the increase and water and sewer projects have accounted for \$2.5 million of the increased outstanding debt.

Table No. C-1a shows total state taxes and local property taxes increased 79% per capita (from \$134 in 1957 to \$241 in 1966). Conversely, despite the increase in total tax collections the tax share of total EBI declined as shown in column nine of Table No. C-1a. This reduction over the 10-year period is equal to 1% of EBI.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the years 1957-1966. It shows total expenditures as having increased at the same rate as revenues and for most of the years the expenditure figures are either identical or about the same as the revenue figures.

The largest increase in expenditures is for education which, on a per capita basis, rose by 135% while expenditures for highways and other items rose at the rate of 50% and 53% respectively.

c. Property Taxes: Table No. C-3 contains detailed data for the assessed value of property subject to taxes for the period 1957-1966. During this period total assessed value rose by about \$46.4 million, an increase of 75%, with the largest share of the increase stemming from residential properties and generally reflecting the increased population. During this 10-year period, no significant shifts took place in the share of various items of total assessed value.

Included in the tax base shown in Table No. C-3 are the assessed values of leasehold improvements upon Federal lands. The summary at the end of the case study digest contains pertinent figures. It shows a total estimated assessed value of leaseholds of \$223,000 and tax revenue of \$15,500 per year.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: Table No. C-4 contains acreage and payment data for all applicable programs during the 10-year period 1957-1966 to the extent that these data are available. It shows considerable fluctuation in the revenue shared in most of these years, in each of the programs and in total payments to the county.

Only in three of the six years for which data were available have payments under the Mineral Leasing Act exceeded $4,400. Payments from the National Forest Fund have increased steadily since 1963, but declined during each of the years from 1959 to 1963. Payments from the National Grasslands and outside grazing districts do not show an increasing trend and continue to be of relatively small magnitude. As a whole, the revenue sharing payments are relatively insignificant as a share of total county budget, and the 1966 total of about $41,300 is less than one half of one percent of the county's total receipts.

b. Indirect Benefits: Allocations of Bureau of Public Roads sliding scale payments were made to Pennington County in each of the years during the 10-year period. These payments generally exceeded revenue sharing payments by substantial amounts and in 1966, for example, the payment of almost $284,000 was about seven times larger than total payments from revenue sharing. Table No. C-5 contains the figures for the 10-year period.

c. Value of Free Goods and Services: The county has benefited from the free use of rights-of-way, land and construction material. Table No. C-6 contains an estimate of the annual value of these free goods and land uses of $22,334. Because of the substantial use of rights-of-way, the annual value is relatively high, about one-half the amount of direct revenue sharing payments.

d. Federal Facilities and Services Having Joint Use: Neither of the Federal agencies reported the use of any of its facilities and services by the county.

e. Resource Expenditures - Management: The Forest Service made substantial resource program expenditures both for the national grasslands and the national forest located in the county. These payments steadily increased in most of the years during the 10-year study period. BLM made only relatively small resource expenditures. A summary of resource program expenditures for all three programs is contained in Table No. C-7. It shows that the 1966 expenditures were about twice as large as the average annual expenditure for the 10-year period. Tables No. C-7a1, 2 and 3 contain the detailed expenditure data for the three programs by expenditure category.

IV. Burdens to Local Government

a. Direct Burdens: The presence of public land causes a financial burden to the county. In recent years these financial burdens were reflected in county highway maintenance expenditures but county officials reported that as of 1966 only its law enforcement expenditures were affected. Based on the county's expenditures for law enforcement and an allocation thereof to that which is specifically related to the presence of public lands, it is estimated that an annual burden of $13,250 is currently incurred.

b. Indirect Burden: Most of the Federal lands subject to revenue sharing payments are valuable and if these lands were in private ownership, considerable property tax revenues might be obtained. Table No. C-8 contains an estimate of the assessable value and the applicable tax rates. This estimate shows a total estimated assessable value of over $17 million and a potential tax revenue of $828,600 per year. Such a tax revenue would equal $1.35/acre. This average potential tax yield is much higher than that which is realized presently from direct revenue sharing payments and it is also substantially higher than the yield from the revenue sharing payments plus other benefits including the substantial BPR sliding scale payments.

c. Loss of Revenue as a Result of Sharing Net Versus Gross: Table No. C-9 shows the K-V Fund collections made by the Forest Service in each of the years during the 10-year period. It shows that these collections not only varied in the absolute amount but also as a percent of gross receipts. In 1963, for example, the K-V Fund collection was equal to about 57% of gross receipts while in 1966 it amounted to about 35% of gross receipts. The revenue sharing "lost" was consequently substantial in most of the years during the study period.

Additionally the RS payments to the county were reduced as a result of the Forest Service's practice of reducing the value of the timber purchase contracts by the estimated cost of construction and reconstruction of harvest roads. If this reduction had not been made in 1966 -- it amounted to $5,400. -- the RS payment to the county would have been increased by $ 1,350.

d. Public Laws 815 and 874: Because of the large federally-related employment in the county, substantial payments were made in all the years during the 10-year period under Public Law 874 and also in seven out of the 10 years under Public Law 815. The detailed figures are contained in Table No. C-10.

V. Impact of Present System

a. County Finances: Due to the relatively small revenue sharing payments and despite the substantial allocation to the county of BPR sliding scale payments, the loss of tax revenue due to the immunity of the Federal lands is of substantial disadvantage to Pennington County. The following figures provide a comparison (1966 figures):

Revenue Sharing (C-4)	$ 41,363
BPR Sliding Scale Payments (C-5)	283,892
Free Goods & Services (C-6)	22,334
Total Direct Benefits	$ 347,589

From these must be deducted the financial burden attributable to the presence of public land:

Direct Burden (IV.a)	13,250
Resulting Net Direct Benefits	334,339 = 55¢/acre

These figures compare with the estimate of potential tax revenue of $1.35/acre as shown in Table No. C-8.

b. The Overview: Interviews with county officials indicate only a casual awareness of the impact of Federal lands in the county. This is surprising in light of the figures summarized in the preceding paragraph which indicates a considerable impact upon county finance. The officials were aware of the importance of payments under PL 815 and PL 874, yet direct revenue sharing payments and the other benefits obtained due to the presence of public lands appear not to be considered in their county budget processes nor did they express any particular dissatisfaction with the benefits obtained.

County officials and industry interest groups are aware of benefits resulting from an expanded tourism industry which relies heavily on the national monuments located within the county and Wind Cave National Park which is located in adjoining Custer County.

PENNINGTON, SOUTH DAKOTA

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Commercial	$135,014	$ 9,397
	Residential	88,218	6,140
BLM	Grazing	0	0
		$223,232[1/]	$15,537

1/ Estimate based upon taxes collected and average county millage rate.

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II.a.)

Purpose	Face Value	Outstanding Balance
Schools	$ 8,458,000	$ 5,208.000
Water & Sewage	7,854,000	4,149,850
Roads	38,000	15,500
Fire Equipment	310,000	180,200
Other	109,000	35,400
Total	$16,769,000	$ 9,588,950

Source: Pennington County Audit Report.

C4-7

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Pennington

STATE South Dakota

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 2,959,730	$ 649,697	$ 3,609,427	$ 2,406,284	$ 6,015,711
1958	3,457,564	758,977	4,216,541	2,811,027	7,027,568
1959	3,561,221	781,732	4,342,953	2,895,302	7,238,255
1960	3,873,801	850,346	4,724,147	3,149,431	7,873,578
1961	4,598,053	1,009,329	5,607,382	3,738,255	9,345,637
1962	5,320,000	1,180,000	6,500,000	3,801,389	10,301,389
1963	5,860,968	1,282,935	7,143,903	3,985,768	11,129,671
1964	6,075,861	1,233,620	7,309,481	4,189,125	11,498,606
1965	5,777,149	1,283,738	7,060,887	5,134,854	12,195,741
1966	6,173,714	1,355,206	7,528,920	5,019,280	12,548,200
% incr./decr. '66 vs. 1st yr.	108.6	108.6	108.6	108.6	108.6

Source: Pennington County Audit Reports. Allocation of receipts by source estimated by County Clerk.

C40-8

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME
1957 - 1966

COUNTY Pennington

STATE South Dakota

	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
YEAR	Sales & Gross Receipts (1)	Individual Income (2)	Other[1/] (3)	Total[1/] (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	3,542	0	918	4,460	5.12	74.33	4.15	60.16	9.27	134.49
1958	3,807	0	816	4,623	4.67	73.38	4.26	66.93	8.93	140.31
1959	4,412	0	907	5,319	5.79	91.55	4.73	74.75	10.52	166.30
1960	4,869	0	1,007	5,876	6.19	98.10	4.98	78.87	11.17	176.97
1961	5,429	0	1,177	6,606	5.50	104.53	4.66	88.72	10.16	193.25
1962	5,439	0	1,058	6,497	4.94	99.19	4.94	99.24	9.88	198.43
1963	5,554	0	1,700	7,254	4.56	99.64	4.49	98.13	9.05	197.77
1964	5,680	0	1,572	7,252	4.31	94.92	4.35	95.67	8.66	190.59
1965	5,661	0	1,477	7,138	4.24	93.43	4.19	92.42	8.43	185.85
1966	7,014	0	1,345	8,359	4.82	126.84	4.34	114.25	9.16	241.09

[1/] Excludes Corporation Net Income Taxes.

Sources: Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col. (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Pennington

STATE South Dakota

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$2,700,084	$ 633,205	$ 2,682,423	$ 6,015,712	$ 100
1958	3,639,171	603,274	2,785,124	7,027,569	112
1959	3,506,920	605,515	3,125,819	7,238,254	125
1960	4,185,113	621,297	3,067,167	7,873,577	131
1961	4,864,361	834,058	3,657,472	9,355,891	148
1962	5,428,193	969,381	3,568,814	9,966,387	152
1963	5,847,058	945,970	4,334,236	11,127,264	153
1964	6,568,167	984,494	4,005,826	11,558,487	151
1965	6,660,147	880,345	3,898,673	11,439,165	150
1966	6,980,155	1,020,717	4,547,328	12,548,200	190
% incr./decr.'66 vs. first year	158.5	61.2	69.5	108.6	90.0
% incr./decr.'66 vs. first year per capita	135.6	50.0	53.3	90.0	

Source: Pennington County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

County Pennington

State South Dakota

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial, Industrial	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal 2/	(7) Other 2/	(8) Total Assessed Value
1957 Assessed Value	$23,358,385	$21,201,465	$ 8,870,471	$ 7,899,367	$ 476,532	$	$	$ 61,806,220
Aver. Tax Rate 58.4 mills								
Item % of Total	37.8	34.3	14.3	12.8	0.8			100.0
1958 Assessed Value	23,744,795	25,520,425	9,161,463	10,884,010	656,205			69,966,898
Aver. Tax Rate 60.3 mills								
1959 Assessed Value	26,378,435	26,540,640	9,755,054	10,386,985	520,330			73,581,444
Aver. Tax Rate 59.1 mills								
1960 Assessed Value	28,878,020	27,837,210	10,829,171	12,081,050	598,025			80,223,476
Aver. Tax Rate 58.9 mills								
1961 Assessed Value	30,853,510	28,513,260	12,054,934	12,216,490	644,985			84,283,179
Aver. Tax Rate 66.6 mills								
1962 Assessed Value	33,628,510	29,859,245	14,681,365	12,334,255	729,450			91,232,825
Aver. Tax Rate 71.3 mills								
1963 Assessed Value	35,143,725	34,740,075	15,659,441	12,352,480	775,000			98,670,721
Aver. Tax Rate 72.5 mills								
1964 Assessed Value	37,470,960	37,877,265	16,038,500	9,854,995	794,370			102,036,090
Aver. Tax Rate 71.7 mills								
1965 Assessed Value	39,438,590	37,967,055	16,198,243	9,780,610	854,345			104,238,843
Aver. Tax Rate 67.8 mills								
1966 Assessed Value 1/	41,754,500	38,098,150	16,989,171	10,487,070	917,380			108,246,271
Aver. Tax Rate 69.6 mills								
Item % of Total	38.6	35.2	15.7	9.7	0.8			100.0
Increase/Decrease '66 vs. '57	78.8	79.7	91.5	32.8	92.5			75.1

1/Assessed value represents 35 percent of actual market value in 1966.

2/Included in other items.

Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = SOUTH DAKOTA COUNTY = PENNINGTON										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	18538	31099	41582	36381	22976	14180	12640	20508	23631	22578
PERCENT BASE YEAR	100.0	167.6	224.3	196.3	123.9	76.5	68.2	110.6	127.5	121.8
PROGRAM ACREAGE	389570	389570	389590	389555	389548	389452	389452	389439	389439	389495
REVENUE $ PER ACRE	0.05	0.08	0.11	0.09	0.06	0.04	0.03	0.05	0.06	0.06
MINERAL LEASING ACT										
FEDERAL PAYMENTS ($)	NA	NA	NA	266	1952	309	1420	5846	4409	8307
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	733.8	116.2	533.8	2197.7	1657.5	3122.9
TAYLOR GRAZE SECT 15 *										
FEDERAL PAYMENTS ($)	NA	NA	NA	332	563	431	342	706	525	690
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	169.6	129.8	103.0	212.7	158.1	207.8
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	18538	31099	41582	36979	25491	14920	14402	27060	28565	31575
PERCENT BASE YEAR	100.0	167.8	224.3	199.5	137.5	80.5	77.7	146.0	154.1	170.3
PROGRAM ACREAGE	389570	389570	389590	389555	389548	389452	389452	389439	389439	389495
REVENUE $ PER ACRE	0.05	0.08	0.11	0.09	0.07	0.04	0.04	0.07	0.07	0.08

NA = data not available.

*Total land available under program in 1966 was 17,482 acres.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are affected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4A

FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS,NON SECTION 10 LANDS

(AND TOTALS FOR ALL SECTION 10 AND NONSECTION 10 PROGRAMS)

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = SOUTH DAKOTA COUNTY = PENNINGTON										
NATL GRASSLANDS (USDA)										
FEDERAL PAYMENTS ($)	7882	7283	8882	12332	7293	8833	10874	9877	8341	9785
PERCENT BASE YEAR	100.0	92.3	112.7	156.4	92.5	112.0	137.9	125.2	105.8	124.1
PROGRAM ACREAGE	208208	208228	206211	206211	206211	205572	205316	205314	205258	205258
REVENUE $ PER ACRE	0.04	0.03	0.04	0.06	0.04	0.04	0.05	0.05	0.04	0.05
TOTAL ALL SECTION 10 & NONSECTION 10 PROGRAMS										
FEDERAL PAYMENTS ($)	26425	38382	50476	49311	32784	23753	25276	36937	36906	41360
PERCENT BASE YEAR	100.0	145.2	191.0	186.6	124.1	89.9	95.6	139.8	139.7	156.5
PROGRAM ACREAGE	590778	597796	595801	595766	595759	595026	594766	594753	594697	594753
REVENUE $ PER ACRE	0.04	0.06	0.08	0.08	0.06	0.04	0.04	0.06	0.06	0.07

Revenues per acre in dollars have been truncated to the nearest cent: i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are affected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID, BPR SLIDING SCALE PROGRAM, TO COUNTY

COUNTY Pennington

STATE South Dakota

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ 22,921	$ 2,419
1958	6,349,826	141,711
1959	1,556,033	31,002
1960	2,607,913	48,500
1961	6,942,038	116,621
1962	4,667,205	166,609
1963	8,232,405	205,354
1964	2,905,420	160,135
1965	1,901,373	106,375
1966	3,012,865	283,892

Source. U.S. Bureau of Public Roads, allocation by EBSMC.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Pennington

STATE: South Dakota

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Road Rights-of-way	$13,242
	Borrow Pits	8,400
	Land	32
BLM	Road Rights-of-way	660
	Total	$22,334

Source: Federal Agencies' Field Offices, EBSMC Estimates.

C40-15

County Pennington

State South Dakota

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 199,979	$ 118,730	$ 318,709
1958	277,729	153,976	431,705
1959	294,192	195,862	490,054
1960	383,026	213,364	596,390
1961	584,676	228,346	813,022
1962	459,030	236,263	695,293
1963	598,046	186,666	784,712
1964	982,214	276,921	1,259,135
1965	814,060	311,226	1,125,286
1966	988,868	613,188	1,602,056
Average Year	558,182	253,454	811,636
Item % of Total, Average Year	68.8	31.2	100.0

Note: **Figures reflect appropriated funds and not necessarily actual expenditures.**

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Black Hills National Forest

County Pennington

State South Dakota

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 22,390	$ 11,424	$ 74	$ 39,458	$ 54,793	$ [illegible],226	$ 4,623	$ 322	$ 5,249	$ 139,559
1958	25,737	19,848	17	59,978	57,275	3,097	22,107	465	8,510	197,034
1959	36,602	25,275	23	47,051	67,189	6,844	30,706	693	3,301	217,684
1960	78,375	26,580	9,284	53,292	91,540	5,412	19,717	522	902	285,624
1961	153,010	35,716	2,922	47,006	118,580	4,325	40,122	2,236	3,720	407,635
1962	67,514	37,453	7,748	39,555	119,931	3,212	57,666	5,102	5,149	343,330
1963	79,098	38,835	5,698	54,674	118,313	25,865	60,593	2,629	5,249	390,954
1964	95,669	38,973	5,967	120,220	96,384	215,644	65,903	2,572	5,715	647,047
1965	39,420	44,546	2,960	117,960	113,040	80,565	57,052	3,146	7,462	466,151
1966	102,633	45,482	3,003	176,552	123,070	1,861	63,813	2,550	8,028	526,992

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program National Grasslands

County Pennington

State South Dakota

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 11,784	$ 6,012	$ 39	$ 20,768	$ 28,839	$ 645	$ 2,433	$ 169	$ 108,061	$ 178,750
1958	13,546	10,446	9	31,357	30,145	1,630	11,635	245	135,258	234,271
1959	19,264	13,303	12	24,763	35,362	3,602	16,161	365	159,138	271,970
1960	41,250	13,989	4,886	28,048	48,179	2,848	10,377	275	160,514	310,366
1961	80,532	18,798	1,538	24,739	62,411	2,276	21,117	1,177	192,399	404,987
1962	35,534	19,712	4,078	20,818	63,122	1,690	30,351	2,685	173,573	351,563
1963	41,630	20,439	2,999	28,776	62,270	13,613	31,891	1,384	190,356	393,358
1964	50,352	20,512	3,141	63,274	50,728	113,497	34,686	1,354	274,144	611,688
1965	20,747	23,445	1,558	62,084	59,495	42,403	30,027	1,656	415,993	657,408
1966	54,017	23,938	1,580	92,922	64,773	979	33,586	1,342	800,883	1,074,020

Source: Federal Agencies' Field Offices.

Federal Agency Interior - BLM

Program All

County Pennington

State South Dakota

TABLE NO. C-7a

Page 3 of 3

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Reforestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ 400	$ 400
1958	NA	NA	NA	NA	NA	NA	NA	NA	400	400
1959	NA	NA	NA	NA	NA	NA	NA	NA	400	400
1960	NA	NA	NA	NA	NA	NA	NA	NA	400	400
1961	NA	NA	NA	NA	NA	NA	NA	NA	400	400
1962	NA	NA	NA	NA	NA	NA	NA	NA	400	400
1963	NA	NA	NA	NA	NA	NA	NA	NA	400	400
1964	NA	NA	NA	NA	NA	NA	NA	NA	400	400
1965	NA	NA	NA	NA	NA	NA	NA	NA	1,727	1,727
1966	NA	NA	NA	NA	NA	NA	NA	NA	1,044	1,044

Source: Federal Agencies' Field Offices.

C4o-19

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Pennington

STATE South Dakota

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Outlots	$ 360	19,462	$ 7,006,320	50	$ 350,316	1800 c
Cultivatable	24	20,382	489,168	41	20,056	98
Grazing	15	142,701	2,140,315	41	87,761	62
Waste	2	42,205	84,410	41	3,461	8
Agricultural	42	58,416	2,453,472	50	122,674	210
Mineral	15	311,587	4,673,805	50	233,690	75
BLM						
Grazing	15	17,482	262,230	41	10,751	61
Totals	$ 28	612,235	$ 17,109,920	48	$ 828,709	135 c

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (3) State and Local Officials, EBSMC Estimates.

(40-2)

Federal Agency US Forest Service

Revenue Sharing Program Black Hills National Forest (25%)[a/]

County Pennington

State South Dakota

CH-71

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 x a/)
1957	$ 151,174	$ 45,473	$ 105,701	$ 26,425	$ 11,368
1958	205,671	52,137	153,534	38,383	13,034
1959	249,215	47,314	201,901	50,475	11,828
1960	286,195	91,340	194,855	48,714	22,835
1961	193,254	72,176	121,078	30,269	18,044
1962	168,398	76,345	92,053	23,013	19,086
1963	219,871	125,811	94,060	23,515	31,453
1964	168,991	47,446	121,545	30,386	11,866
1965	183,956	56,064	127,892	31,973	14,016
1966	198,947	69,489	129,458	32,365	17,372

Source Federal Agencies' Field Offices.

County Pennington

State South Dakota

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

		P.L. 815		P.L. 874	
Years	Total School Budget	Aid Provided	% of Total Budget	Aid Provided	% of Total Budget
1957	$ 2,700,084	$ 325,546	12.06	$ 325,919	12.07
1958	3,639,171	325,546	8.95	418,425	11.50
1959	3,506,920	325,546	9.28	319,163	9.10
1960	4,185,113	325,546	7.78	648,698	15.50
1961	4,864,361	325,546	6.69	798,522	16.42
1962	5,428,193	1,809,536	33.34	1,143,311	21.06
1963	5,847,058	0	0	1,232,896	21.09
1964	6,568,167	0	0	1,372,583	20.90
1965	6,660,147	235,260	3.53	1,423,288	21.37
1966	6,980,155	0	0	1,707,683	24.46

Sources. Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

CASE COUNTY DIGEST
ANGELINA, TEXAS

I. The County

a. General Description: Angelina is a small county which has experienced a relatively small rate of population growth during the last decade. It is located near the Texas-Louisiana border approximately 100 miles from the Gulf of Mexico. The county seat is Lufkin and the county contains two municipalities (cities), 11 school districts and three special (junior college) districts. All units of government perform assessment and tax collection functions almost completely independent of each other. The conventional county government also provides a variety of typical county government services, including law enforcement, public safety, fire protection, planning, and resource development which are also provided by the two cities. The utility operations are handled by private interests under the direction of the state.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	39,814	1966	2	44,600	12.0
Urban[1]	1960	1	20,146	1966	2	23,800	18.1
Rural	1960	1	19,668	1966	2	20,800	5.8
Employment	1959	3	8,488	1966	3	12,142	43.0
Effective Buying Income ($000)	1960	2	54,573	1966	2	88,127	61.4
Per Capita EBI ($)	1960	2	1,361	1966	2	1,976	45.2
Public School Enrollment (K-12)	1960	1	8,830	1965	4	9,800	11.0

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[1] Includes areas of 2,500 people or more.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

The above table shows a modest population increase took place during the 1960-1966 period with the urban population increasing at about three times the rate of the rural population. Employment in the county rose much faster than population while the increase in public school enrollment (K-12) is somewhat less than total population growth. Total effective buying income and per capita effective buying income both outpaced the other growth rates.

c. The Land: Of Angelina's 514,560 acres, some 102,000 acres are in Federal ownership, of which only 62% are subject to RS while on the remainder RS activities occur occasionally and in very small magnitude. The Federal land is composed of:

National Forests	63,636 acres
Civil Works	39,180 acres
Total	102,816 acres

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the period 1959-1966 (information for the years 1957-1958 were not available at the sources). During this period total receipts increased by over $6.5 million, or 121%. The proportion of receipts from property taxes rose at only 45%, the rate at which "Other Taxes and Revenues" increased. This is due in part to the peculiar method of fiscal accounting by the various levels of government, wherein the category "Other Taxes and Revenues" includes atypical revenues. For example, receipts by the county itself, for 1966, include $800,000 from county hospital operations and $90,000 from county airport operations. Likewise, receipts for "Other Taxes and Revenues" by the two cities include sums for the sale of water and the provision of sewer services. Typically, such items are not included in county and city fiscal accounting but rather are shown in separate activity fiscal reports. A complete identification of these unusual items, unfortunately, was not feasible; therefore, they were not excluded from the figures shown in Table No. C-1.

Bonded indebtedness of the county rose very sharply. From a total outstanding debt of $2.8 million in 1956, it has moved to $3.9 million in 1961, and $8.2 million in 1966. This represents an increase of 298% over the 11-year period. The details of the 1966 outstanding balance which equals approximately 70% of last year's total budget is shown in the summary appended to the end of the case county reports.

Total state taxes increased 66% per capita and local property taxes increased 49% during the period 1959-1966 as shown in Table No. C-1a. Combined state and local property taxes increased 61% per capita and 6% as a percent of EBI.

b. *Expenditures:* Table No. C-2 contains detailed expenditure data for the period 1959-1966. During the eight-year period, total expenditures rose at a somewhat faster rate than receipts. This is due, however, to a low base in 1959. Generally, receipts and expenditures were fairly balanced. It should be observed that expenditures for education rose at a greater rate, 174%, than total expenditures, 150%, while expenditures for highways remained almost constant. The item "Other Expenditures" requires a comment similar to the one made in respect of "Other Taxes and Revenues" in Table No. C-1. Overall, total expenditures per capita rose more than 135% while, as stated, effective buying income per capita rose only 45%. Thus, a measure of the increasing tax burden upon the population of Angelina County becomes apparent. (Total property taxes increased 58% and "Other Taxes and Revenues" increased 136% during the 1959-1966 period.)

c. *Property Tax:* Table No. C-3 contains detailed data for the assessed value of property subject to tax for the 1957-1966 period. It shows an increase in assessed value from $29.8 million to $47 million, or 58% over the 10-year period. The increase is fairly evenly distributed except for residential properties which increased at nearly twice the rate of total assessment. The average mill rate rose during the 10-year period from 24 mills to 36.6 mills, an increase of more than 50%.

There exist agricultural and grazing permits on FS and C of E lands; however, the county has elected not to tax these because, in its judgment, their taxable value is insignificant and does not justify the expenses involved in assessments and tax collections.

III. Payment in Lieu of Taxes and Revenue Sharing

a. *Applicable Programs and Direct Benefits:* As stated before, the only permanent revenue sharing program applicable to Federal lands in Angelina County is that pertaining to the national forest. It involves 63,636 acres which yielded RS payments ranging from a high of $82,456 in 1960 to a low of $13,380 in 1965. With the exception of the amounts generated in 1960, 1961 and 1965, revenue to the county moved in a fairly narrow range with the 1966 payments resulting in revenue of just under 46¢/per acre.

The 39,180 acres under the jurisdiction of the U.S. Corps of Engineers (C of E) are not providing any PILT or RS payments except for an occasional amount. These have varied from a high of $952 in 1962 to a low of $19 in 1965. In several of the years between 1957 and 1966 there were no payments at all. Table No. C-4 contains the detailed data.

b. *Indirect Benefits:* The state of Texas is not eligible for the BPR Sliding Scale Highway Aid Program and, consequently, no payments have accrued to Angelina County.

c. Value of Free Goods and Services: From time to time the county obtains free of charge a variety of free goods and services, including land and construction materials. Based on estimates of the two supplying Federal agencies of the value of the goods and services provided, it was calculated that their annual benefit to the county amounts to approximately $680, a relatively insignificant contribution. The annual value of the free goods provided by supplying agencies is shown in Table No. C-6.

d. Federal Facilities and Services Having Joint Use: The local government has benefited from the free use of certain roads and bridges which were built and are maintained by the Forest Service (FS). The annual value of the free use of these facilities, based on their capital cost plus annual operating costs is estimated at $10,125. The county does not reimburse the Federal agency for this benefit and it can be considered as an additional direct benefit.

e. Resource Expenditures - Management: Within the framework of the Federal agencies' routine land management functions, which include the improvement of the lands, considerable sums are spent annually for administrative and operating as well as capital items. Such expenditures by the C of E -- not construction costs of the dam and reservoir -- began in 1962 and have, since that time, varied from a low of $29,000 to a high of $101,900.

The resource expenditures of the two active agencies for the years 1958-1966 are contained in Table No. C-7. As shown therein, an average of 40% of the expenditures were for administrative and operating items and the remaining 60% for capital expenditures. Table No. C-7a contains expenditure details by category.

The survey of management functions performed by the two Federal agencies indicates that a large share of the non-capital expenditures are made for various types of improvements. The C of E is planning to engage in a timber management program for which it proposes to seek the technical assistance of FS. In all other management functions both agencies provide like services. Their activities appear to be unrelated, for the most part, to a plan geared at any long-run economic objectives, but, rather, relate to preservation and maintenance of the resource.

IV. Burdens to Local Government

a. Direct Burdens: Though, inevitably, the existence of so much public land as there is in Angelina County must cause a variety of burdens upon county and local government units, the county commissioners did not identify a quantifiable burden upon county finances.

b. Indirect Burden: The immunity of the Federal land to taxation by local government represents the loss of important revenue. Estimates of the potential tax revenue obtainable from the Federal lands if they were in private ownership are shown in Table No. C-8. A potential assessed value of over $1 million and tax revenue, at the present millage rate of $30,845 was derived. This results in an estimated average tax of 30¢/acre, a rate which is less than that resulting from the Forest Fund but which, due to the lack of payments on the C of E lands, results in a total which is higher than that presently obtained from the existing RS program.

c. Loss in Revenues as a Result of Sharing Net Versus Gross: The FS calculates the revenues available for sharing after deduction of certain specified costs. Table No. C-9 lists the detailed data for gross receipts, specified costs, net receipts, net payments to local government (shared revenue) and the amount "lost" as a result of sharing net versus gross. These "losses" varied from a high of $15,900 to a low of $4,540. In 1966, specified costs were equal to 36% of gross receipts and resulted in a reduction in the RS payment of almost $16,000.

Additionally, the RS payments to the county were reduced as a result of the FS's practice of reducing the value of the timber purchase contracts by the estimated cost of construction and reconstruction of harvest roads. If this reduction had not been made in 1966 -- it amounted to $6,883 -- the RS payment to the county would have been increased by $1,721.

d. Public Laws 815 and 874: Though Angelina County qualified during the years 1963-1966 for payments under Public Law 874, the amounts as a percent of the total school budget, are insignificant. Table No. C-10 contains the figures for the four years during which payments on PL 874 were obtained.

V. Impact of Present System

a. County Finance: The impact of the present RS system, including indirect benefits, can be measured to some extent by comparative analysis of the net financial benefits and losses. The net benefit is composed of the following items (1966 figures):

RS Total (C-4)	$28,509
Free Goods and Services (C-6)	679
Value of Joint Use Facilities (III.d)	10,125
	$
Total Direct Benefits	$39,313 = 38¢/acre

A comparison of these figures with the potential property tax revenue which might accrue if the lands were in private ownership ($30,845) shows that there is a slight net benefit in the present revenue sharing.

b. The Overview: Angelina County, its municipalities, school boards and special districts, recognize that its present financial condition is not adversely affected by the existence of Federal lands. Local officials, though, are critical of the land management programs performed by the two Federal agencies because, in their judgment, they are not conducive to developing the economic base of the county. The FS has placed an increasing emphasis upon the recreational values of the forest rather than its function as a timber resource. Likewise, there is discontent because of the virtual nonexistence of PILT and RS from the lands under C of E's management. Though there is merit to this complaint, the figures contained in this report have shown that the RS payments from the national forest do, in fact, compensate for the tax loss which might be obtainable from all Federal lands in the county. Yet, so long as these two agencies maintain separate land holdings and land management programs, it is justifiable to evaluate each holding separately rather than combining the acreages and revenues. On that basis, it is evident that for over 30% of the Federal land holdings in the county, local government does not obtain any financial assistance.

ANGELINA, TEXAS

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service)) C of E)	Agricultural & Grazing[1]	0	0
	Total	0	0

[1] The county does not tax this type of lease. In addition, the taxable value would be insignificant.

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Schools	$ 6,366,500	$5,018,600
Refunding	1,125,000	949,000
Roads	414,000	392,000
Bldgs. (airport, hospitals, county)	600,000	358,000
Water & Sewage	540,000	535,000
Other	367,000	339,000
General Obligation	635,000	632,000
Total	$10,047,500	$8,223,600

Source: Angelina County Audit Reports.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Angelina

STATE Texas

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ NA	$ NA	$ NA	$ NA	$ NA
1958	NA	NA	NA	NA	NA
1959	614,672	469,406	1,084,078	4,296,502	5,380,580
1960	649,024	495,639	1,144,663	4,207,049	5,351,712
1961	672,147	513,298	1,185,445	4,649,072	5,834,517
1962	709,254	541,635	1,250,889	5,085,410	6,336,299
1963	786,356	600,516	1,386,872	6,266,337	7,653,209
1964	838,149	640,068	1,478,217	7,302,441	8,780,658
1965	927,641	708,410	1,636,051	8,771,147	10,407,198
1966	974,260	744,012	1,718,272	10,161,977	11,880,249
% incr./decr. '66 vs. 1st yr.	58.5	58.5	58.5	136.5	120.8

Source: Angelina County Audit Reports by Taxing Jurisdiction.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME
1957 - 1966

COUNTY Angelina

STATE Texas

	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
YEAR	Sales & Gross Receipts (1)	Individual Income (2)	Other[1/] (3)	Total[1/] (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	976	0	1,491	2,467	5.20	62.46	NA	NA	NA	NA
1958	981	0	1,452	2,433	4.82	61.59	NA	NA	NA	NA
1959	1,106	0	1,575	2,681	4.92	63.68	1.99	25.75	6.91	89.43
1960	1,298	0	1,634	2,932	5.37	73.12	2.10	28.55	7.47	101.67
1961	1,332	0	1,625	2,957	4.84	73.01	1.94	29.27	6.78	102.28
1962	1,793	0	1,692	3,485	5.49	85.42	1.97	30.66	7.46	116.08
1963	1,899	0	1,699	3,598	5.52	87.54	2.13	33.74	7.65	121.28
1964	2,539	0	1,816	4,355	6.18	102.71	2.10	34.86	8.28	137.57
1965	2,795	0	1,885	4,680	6.03	108.08	2.11	37.78	8.14	145.86
1966	2,748	0	1,968	4,716	5.35	105.74	1.95	38.53	7.30	144.27

[1/] Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

CIII-9

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Angelina

STATE Texas

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditur Per Capita (5)
1957	$ NA	$ NA	$ NA	$ NA	$ NA
1958	NA	NA	NA	NA	NA
1959	2,533,024	853,805	1,360,317	4,727,146	112.3
1960	2,716,339	715,646	2,101,173	5,533,158	138.0
1961	3,383,651	696,965	2,308,774	6,389,390	157.8
1962	3,413,169	504,905	2,607,104	6,525,178	160.0
1963	4,644,393	600,050	2,012,880	7,257,323	176.6
1964	5,994,686	611,681	2,186,429	8,792,796	207.4
1965	5,274,582	872,375	4,308,367	10,455,326	241.5
1966	6,941,957	891,175	3,970,683	11,803,815	264.7
% incr./decr.'66 vs. first year	174.1	4.4	196.2	149.7	135.7
% incr./decr.'66 vs. first year per capita	158.5	(1.5)	179.0	135.7	

Source: Angelina County Audit Reports by Taxing Jurisdiction.
Col. (5) ;Col. (4) divided by population estimates, Sales Management.

County Angelina

State Texas

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial Industrial	(3) Public Utility	(4) Rural2/	(5) Mineral, Timber Other Nat. Res. 3/	(6) Personal	(7) Other3/	(8) Total Assessed Value
1957 Assessed Value	$ 7,532,870	$11,422,690	$677,870	$	$	$10,153,100		$29,786,530
Aver Tax Rate 24.0 mills								
Item % of Total	25.3	38.3	23			34.1		100
1958 Assessed Value	7,842,390	11,927,560	671,360			11,261,970		31,703,280
Aver. Tax Rate 28.2 mills								
1959 Assessed Value	8,165,540	12,789,200	526,740			11,926,540		33,408,020
Aver. Tax Rate 32.4 mills								
1960 Assessed Value	9,344,720	13,315,760	532,630			11,646,800		34,839,910
Aver. Tax Rate 32.9 mills								
1961 Assessed Value	9,884,740	13,942,690	605,790			11,744,060		36,177,280
Aver. Tax Rate 32.8 mills								
1962 Assessed Value	10,516,310	14,079,600	770,930			11,778,750		37,145,590
Aver. Tax Rate 33.7 mills								
1963 Assessed Value	11,993,560	14,616,600	824,830			12,583,650		40,018,640
Aver. Tax Rate 34.7 mills								
1964 Assessed Value	12,693,250	15,246,880	902,100			12,923,880		41,766,110
Aver. Tax Rate 35.4 mills								
1965 Assessed Value	13,379,570	15,583,690	913,050			13,617,180		43,493,490
Aver. Tax Rate 37.3 mills								
1966 Assessed Value1/	14,620,090	16,983,900	940,460			14,430,510		46,974,960
Aver. Tax Rate 36.6 mills								
Item % of Total	31.1	36.2	2.0			30.7		100
Increase/Decrease 66 vs. '57	94.1	48.7	38.7			42.1		57.7

1/ Assessed value represents 10 percent of actual market value in 1966.
2/ Included in Residential.
3/ Included in other items.
Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.
Note: Figures for 1957 and 1958 were estimated based upon trend in '59-'66 period.

C41-11

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. G-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = TEXAS										
COUNTY = ANGELINA										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	29706	32937	41289	82455	79720	54433	23218	19522	13379	28509
PERCENT BASE YEAR	100.0	110.9	139.0	277.6	268.4	183.3	78.2	65.7	45.0	96.0
PROGRAM ACREAGE	63636	63636	63636	63636	63636	63636	63636	63636	63636	63636
REVENUE $ PER ACRE	0.47	0.52	0.65	1.30	1.25	0.86	0.36	0.31	0.21	0.45
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	29706	32937	41289	82455	79720	54433	23218	19522	13379	28509
PERCENT BASE YEAR	100.0	110.9	139.0	277.6	268.4	183.3	78.2	65.7	45.0	96.0
PROGRAM ACREAGE	63636	63636	63636	63636	63636	63636	63636	63636	63636	63636
REVENUE $ PER ACRE	0.47	0.52	0.65	1.30	1.25	0.86	0.36	0.31	0.21	0.45

Revenues per acre in dollars have been truncated to the nearest cent; *i.e.*, $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4A
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS,NON SECTION 10 LANDS
(AND TOTALS FOR ALL SECTION 10 AND NONSECTION 10 PROGRAMS)

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = TEXAS COUNTY = ANGELINA										
FLOOD CONTROL PROGRAM *										
FEDERAL PAYMENTS ($)	0	0	0	223	941	952	489	61	19	0
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	422.0	426.9	219.3	27.4	8.5	0.0
TOTAL ALL SECTION 10 & NONSECTION 10 PROGRAMS										
FEDERAL PAYMENTS	29706	32937	41289	82678	80681	55385	23707	19583	13398	28509
PERCENT BASE YEAR	100.0	110.9	139.0	278.3	271.6	186.5	79.8	65.9	45.1	96.0
PROGRAM ACREAGE	63636	63636	63636	63636	63636	63636	63636	63636	63636	63636
REVENUE $ PER ACRE	0.47	0.52	0.65	1.30	1.27	0.87	0.37	0.31	0.21	0.45

*Total land available under program in 1966 was 39,180 acres.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.068 is shown as $0.06. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

C41-13

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Angelina

STATE: Texas

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Construction Material	$ 66
	Land	330
Corps of Engineers	Land	283
	Total	$ 679

Source: Federal Agencies' Field Offices, EBSMC Estimates.

C41-14

County Angelina

State Texas

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ NA	$ NA	$ NA
1958	42,731	6,570	49,301
1959	45,110	346	45,456
1960	44,004	0	44,004
1961	47,063	0	47,063
1962	56,902	23,200	80,102
1963	93,399	50,600	143,999
1964	85,227	105,552	190,779
1965	73,372	81,520	154,892
1966	196,296	73,454	269,750
Average Year[1/]	101,039	66,865	167,904
Item % of Total, Average Year	60.2	39.8	100.0

[1/] Corps of Engineers expenditures included only in years 1962-1966. Average calculated on basis of data in years 1962-1966.

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Angelina National Forest

County Angelina

State Texas

TABLE NO. C-7a

Page 1 of 2

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Reforestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA
1958	4,849	5	4	11,765	25,854	0	219	35	6,570	49,301
1959	5,768	2	26	9,965	26,550	0	2,756	43	346	45,456
1960	7,696	20	12	16,459	18,124	0	1,691	2	0	44,004
1961	7,595	572	660	13,558	18,230	0	6,413	35	0	47,063
1962	5,550	780	544	14,731	23,150	0	6,234	113	0	51,102
1963	7,578	1,397	306	27,859	22,095	4,177	17,364	423	1,800	82,999
1964	7,897	2,594	68	10,553	32,231	109	12,349	926	31,552	98,279
1965	9,640	1,173	165	16,032	11,186	4,829	9,075	892	0	52,992
1966	4,204	3,868	298	96,009	9,878	4,528	68,651	720	40,894	229,050

Source: Federal Agencies' Field Offices.

Federal Agency Corps of Engineers

Program Sam Rayburn Dam & Reservoir

County Angelina

State Texas

TABLE NO. C-7a

Page 2 of 2

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other[2]	Total Resource Expenditure
1957 [1]	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
1958	0	0	0	0	0	0	0	0	0	0
1959	0	0	0	0	0	0	0	0	0	0
1960	0	0	0	0	0	0	0	0	0	0
1961	0	0	0	0	0	0	0	0	0	0
1962	0	0	0	20,000	0	0	0	0	9,000	29,000
1963	0	0	0	50,000	0	0	0	0	11,000	61,000
1964	0	0	0	60,000	0	0	0	0	32,500	92,500
1965	0	0	0	60,600	0	0	0	0	41,300	101,900
1966	0	0	0	0	0	0	0	0	40,700	40,700

C-4-17

[1] The Corps of Engineers project in Angelina County was not completed until 1963. All expenditures prior to 1963 were for construction of the dam & reservoir

[2] Includes: Boat Ramps, Sanitary Facilities, Water Fountains, Picnic Units and Parking Areas for tourists.

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Angelina

STATE Texas

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Agricultural	$ 10.00	5,877	$ 58,770	30.0	$ 1,763	30¢
Timber	10.00	96,939	969,390	30.0	29,082	30
Totals	$ 10.00	102,816	$ 1,028,160	30.0	$ 30,845	30¢

1/ Composite produced from estimates for each land class or type
2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

C41-18

Federal Agency US Forest Service
Revenue Sharing Program Angelina National Forest (25%)a/
County Angelina
State Texas

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 × a/)
1957 1/	$ 149,450	$ 30,630	$ 118,820	$ 29,705	$ 7,658
1958	195,389	63,637	131,752	32,938	15,909
1959	195,189	30,033	165,156	41,289	7,508
1960	361,628	31,804	329,824	82,456	7,951
1961	365,837	46,953	318,884	79,721	11,738
1962	268,802	51,066	217,736	54,434	12,767
1963	111,036	18,160	92,876	23,219	4,540
1964	113,822	35,730	78,092	19,523	8,933
1965	98,935	45,419	53,516	13,379	11,354
1966	177,348	63,312	114,036	28,509	15,828

[1] Data for 1957 estimated.

Source: Federal Agencies' Field Offices.

C41-19

County Angelina

State Texas

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

		P.L. 815		P.L. 874	
Years	Total School Budget	Aid Provided	% of Total Budget	Aid Provided	% of Total Budget
1957	$ 0	$ 0	0	$ 0	0
1958	0	0	0	0	0
1959	0	0	0	0	0
1960	0	0	0	0	0
1961	0	0	0	0	0
1962	0	0	0	0	0
1963	4,644,393	0	0	1,775	Insignificant
1964	5,994,686	0	0	1,411	Insignificant
1965	5,274,582	0	0	2,809	Insignificant
1966	6,941,957	0	0	3,138	Insignificant

Sources: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

C41-23

CASE COUNTY DIGEST
BOX ELDER, UTAH

I. The County

a. General Description: Box Elder is a large county with a relatively sparse population, located in the northwestern corner of the state bordering on Nevada and Idaho. Of the county's 18 municipalities, the county seat, Brigham City, is the largest town with a population of approximately 15,000 or about one-half the total county population. Box Elder has one unified school district and 13 special districts. These special districts are engaged in cemetery operations (8), resource development (2), mosquito abatement (1), and drainage (2). Almost all of the municipalities have a full range of public services; however, property tax assessment and collection, welfare services and general resource development, including comprehensive planning, are all provided by the county government exclusively. The unified school district relies upon county government for budgetary services, tax assessment and revenue collection and distribution.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	25,061	1966	2	30,300	20.9
Urban	1960	1	11,729	1966	2	14,100	20.2
Rural	1960	1	13,332	1966	2	16,200	21.5
Employment	1959	3	3,839	1966	3	4,792	24.8
Effective Buying Income ($000)	1960	2	37,623	1966	2	68,307	81.6
Per Capita EBI ($)	1960	2	1,481	1966	2	2,254	52.2
Public School Enrollment (K-12)	1960	1	7,103	1965	4	8,800	23.9

Sources:
1. U.S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U.S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U.S. Department of Health, Education and Welfare, Office of Education, Education Directory, Part 2, 1967.

The above figures show growth in all categories. The population growth is equally distributed between the urban and the rural population. The growth in employment exceeded that of the population as a whole and both total effective buying income and per capita EBI showed growth rates during the 1960-1966 period which substantially exceeded both those for the population as a whole and for county employment. The increase in public school enrollment (K-12) exceeded that of the population by 3%.

c. The Land: The county consists of about 3.6 million acres. Approximately one million acres are in Federal ownership and are subject to PILT and RS programs. Additionally, there are about 700,000 acres comprising the Great Salt Lake, the ownership of which is in dispute and is the subject of litigation between the state and the Federal government. When Box Elder County was requested to respond to a questionnaire at the initiation of this study requesting the amount of Federally owned acreage in the county, the land area comprising the Great Salt Lake was included. The acreage information furnished by the county did not conform with the acreage information furnished by the Federal agencies. These Federal submissions are pointed out because they also, in respect of BLM acreage, do not conform with other published data. For example, in the direct data submission no mention was made of outside district lands within Box Elder County. The published statistics, State Series, comprising tables by Congressional Districts and Counties show for 1966 about 252,000 acres in outside grazing lands. It is indicated that because there are no leases on these lands and no revenues have been shared, the data source utilized for the provision of acreage and payment data did not reveal the existence of this TG-15 land.

As of 1966, the following agencies administered the following lands in Box Elder County:

Forest Service (FS) National Forests (3)	97,558 acres
Bureau of Sport Fisheries & Wildlife (BSF&W) - Bird Refuge	65,925 acres
Bureau of Land Management (BLM) Grazing Districts (2), TG-3	865,583 acres
Mineral Leasing included in other BLM (approximately 7,700 acres)	
Total	1,029,066 acres

II. County Finance

a. Revenues: Table No. C-1 contains detailed revenue data for the years 1957-1966. During this period total receipts increased by more than $5 million or 121%. About $2.4 million of the increased revenue stems from property taxes representing an increase of 147% over the 10-year period. This is compared with an increase of $2.6 million for all other sources, an increase equal to 104%. Total receipts changed in an erratic fashion because of the proceeds from bond issues.

The county's outstanding debt increased by more than $9.5 million during the 1956-1966 period. Details of the face value and the outstanding debt as of 1966, by expenditure category are contained in a summary at the end of the case study digest.

Table No. C-1a shows the steady increase in total state tax collections and local property tax collections. Although the total taxes per capita almost doubled during the 10-year study period, as a percent of EBI the increase is only 14%. The level of state taxes--sales, gross receipts and individual income taxes--steadily increased to where, in 1966, it exceeded local property tax on a per capita basis by about $14.

b. Expenditures: Table No. C-2 shows expenditures for the 10-year period. Overall, expenditures for education increased by 145%, while expenditures for all services excluding education and highways increased by 152%. The overall increase in expenditures per capita was 82%.

c. Property Taxes: Table No. C-3 contains detailed data for the assessed value of property subject to taxes for the period 1957-1966. It shows an increase in total assessed value of 69% as compared with the increase in tax revenues from property of 147%. The difference is, of course, an increase in the applicable tax rates, the weighted average of which rose from 44.9 mills in 1957 to 65.6 mills in 1966. The most important shift in property categories occurred in personal property which, in 1966, accounted for 19% of total assessed value, as much as the assessed value of residential properties. The assessed value of commercial and industrial properties also rose sharply, by over $5.5 million or 12%, while the assessed value of mineral, timber and other natural resources declined by 64% over the 10-year study period.

Though there are numerous grazing permits on national forest and Sec. 3 lands, the county does not assess the value or tax any possessory interests or improvements of leaseholder on Federal land.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: Though the Federal acreage subject to PILT and RS programs is extensive in Box Elder County, payments to the county from these programs are very small and insignificant in relation to the total county budget. The 1966 payment of $8,700 is less than 0.1% of total county revenue; yet the land to which these payments relate represents over 34% of the total county acreage. Table No. C-4 contains acreage and payment data for the 10-year period. The payments shown under the Mineral Leasing Act, which in 1966 amounted to $3,849, reflect the total payment to the state. Under Utah state law only 10% of that amount is passed on to the county.

During the 10-year study period total payments reached a high in 1965 of $12,400 which exceeds the next highest year by almost $4,000. The difference is attributable to an increase of almost 120% in the mineral leasing payments in that year; however, as stated, only 10% of these payments accrue directly to the county.

The increase in payments from the bird refuge as between 1965 and 1966 is attributable to the law passed in 1964 under which counties not only receive 25% of the revenues but also 3/4 of one percent of the total adjusted value of private lands acquired by the BSF&W. However, these PILT payments are limited to available funds. In 1966, revenues from the sales of oil and timber were sufficient to cover the increased payments required under the PILT provisions.

b. Indirect Benefits: During the 10-year study period the county received allocations in each of the years under the BPR Sliding Scale Highway Aid Program. Figures relating to these payments are contained in Table No. C-5. Their magnitude in each of the years was many times that of the PILT and RS payments, although these payments fluctuated considerably. They exceed $100,000 in most of the years, and in 1963 reached a high of over $262,000. The 1966 allocation was $156,000. These payments have, of course, a much greater impact than all other land-related benefits accruing to the county.

c. Value of Free Goods and Services: Only BLM has furnished the county free goods and free use of certain tracts of land. Table No. C-6 contains an itemization and an estimate of the annual value of these free goods and land uses. A total estimate of $11,000 is shown.

d. Federal Facilities and Services Having Joint Use: The Forest Service reported the joint use by the county of certain of that agency's facilities. Based on construction cost, annual operating cost and the percentage of utilization by the local government, the following estimate of the annual value of these free uses has been prepared:

FS - Roads and Trails	$ 1,324
- Camp Grounds	5,155
Total	$ 6,479

e. Resource Expenditures - Management: All three Federal agencies made resource program expenditures during the 10-year period. Table No. C-7 contains a summary of these expenditures for the three agencies while Tables No. C-7a1, 2, 3, 4 and 5 contain the details by agency and for the Forest Service by national forest for the 10-year period, detailed by expenditure category. Overall, these expenditures increased almost three and one-half times and, except for an estimated 6%, are all allocable to administrative and operating expenses. There is no evidence that management programs were in any way related to the near or long-term increase in the productive output of these lands.

It is evident that the level of expenditures which reached almost $350,000 in 1966, bore no relationship to the economic activity upon these lands and the resulting RS payments.

IV. Burdens to Local Government

a. Direct Burdens: County officials have identified the existence of several types of financial burdens which are attributable to the presence of public lands. The following is an estimate of the annual financial burden for which no reimbursement is received by the county from any Federal source:

Maintenance of Roads	$ 51,750
Law Enforcement	6,000
Operation of County and City Courts	5,000
Total Direct Burdens	$ 62,750

The financial burden relating to road maintenance reflects the cost of construction and maintenance of an 11.5 mile road to the migratory bird refuge. It also reflects the cost of maintaining a 20-mile gravel road serving a fishing area on Federal land. The expenses of law enforcement reflect the cost of patrolling the Federal lands by the sheriff's department. The cost of court administration relates to cases involving Federal land suits and the claim is made that if it were not for the presence of the public lands within Box Elder County, the expenditures for the county and city courts would be 20% less than they are at present. The $5,000 figure reflects that 20% increment.

b. Indirect Burden: Despite the relatively low value of the Federal land in this county, its immunity to local property taxation results in the loss of a fairly large amount of county revenues. Table No. C-8 contains an estimate of the assessable value of the various Federal lands and the potential property tax which they might yield if they were in private ownership. It shows a total tax potential of nearly $79,900 or an average of 7¢/acre.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: The Forest Service collected K-V Funds in each of the years during the 10-year period. These collections and the resulting revenue share are shown in Table No. C-9. The annual collection of K-V Funds varied widely as a percent of gross receipts. In 1959, for example, K-V Fund collection of $1,084 represented 11% of gross receipts. In 1965, though gross receipts were less than in the year just cited, the K-V Fund collection was more than twice as large and represented 26% of gross receipts. This trend further increased in 1966 when the K-V Fund collection of $3,517 represented 35% of the gross and the resulting revenue share "lost" represented 54% of the net payment to the county. It appears that in all years the collection of K-V Funds exceeded the average collection as a percent of gross receipts for the nation as a whole.

d. Public Laws 815 and 874: The county was eligible for Federal aid under PL's 815 and 874. Table No. C-10 contains details for the payments obtained during the 10-year period.

V. Impact of Present System

a. County Finance: Due to the substantial sliding scale highway aid allocations to Box Elder County, total benefits attributable to the presence of public lands appear to exceed the revenues which might be obtainable if these lands were in private ownership. Based on the 1966 figures, the following summary results:

PILT and RS (C-4)	$ 8,697
Sliding Scale Payments (C-5)	156,020
Free Goods and Services (C-6)	11,044
Joint Use Facilities (III.d)	6,479
Total Direct Benefits	$ 182,240

From the above must be deducted the direct burdens resulting from the existence of public land:

Direct Burden (IV.a)	$ 62,750
Resulting Net Direct Benefits	119,490 = 12¢/acre

The above compared favorably with the potential property tax estimate contained in Table No. C-8 which shows an average of 7¢/acre. If total PILT and RS were reduced by the amount of mineral leasing payments which is retained by the state, it would result in a reduction of $3,464 and produce a net total of $116,026 or 11¢/acre.

Conversely, it should be pointed out that the only substantial direct financial benefit to the county is reflected in the BPR Sliding Scale Highway Aid payments. These payments do not only vary by budget and program from year to year but they are also usable exclusively in Federally approved road construction programs. If the 1966 BPR payment were excluded from the county's benefits, the calculation would show a substantial net county burden, viz. about $40,000 for the year. In terms of financing the cost of public services other than the construction of highways, this deficit or direct burden more adequately reflects the impact of the present system upon the finances of Box Elder County. Put differently, the present PILT and RS systems, including the provision of certain free goods and services, do not compensate for the loss of tax revenues from Federal lands.

b. The Overview: Comments of county and interest group officials reflected some dissatisfaction with Federal land management programs in their county. These officials not only claim that the county's economy has been hindered because the Federal government is not making more land available for development by private interests but also that the resource management program for the grazing lands is not maximizing its grazing potential. Ranchers stated that if the lands were in their ownership or if BLM would permit them to do so, they would plant grass so that more cattle could be sustained. They mentioned that in some cases ranchers in the county had, in fact, started grass planting and other improvements to the lands leased by them but were halted in these efforts by law suits of the land management agencies.

In contrast, BLM stated that it exchanged a fair quantity of acreage in the county so as to facilitate the establishment of larger ranches. It is understood that this exchange program is designed to provide Federal lands which are located adjacent to privately owned lands in exchange for isolated privately owned tracts which are surrounded by large Federal acreage. The value of such a program is self-evident.

BOX ELDER, UTAH

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Grazing	$ 0	$ 0
	Commercial	0	0
Fish & Wildlife		0	0
BLM	Grazing	0	0
	Total	$ 0	$ 0

Source: Federal Agencies' field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Schools	$ 9,750,000	$ 6,480,000
Sewage & Water	4,345,000	3,598,000
Hospital	200,000	80,000
Other	320,500	126,200
Total	$14,615,500	$10,284,200

Source: Box Elder County Report.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Box Elder

STATE Utah

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$1,357,235	$ 289,095	$ 1,646,330	$ 2,526,577	$ 4,172,907
1958	1,519,648	323,690	1,843,338	2,850,118	4,693,456
1959	1,758,530	355,088	2,113,618	5,125,734	7,239,352
1960	2,291,241	456,709	2,747,950	7,260,449	10,008,399
1961	2,542,588	548,704	3,091,292	5,273,234	8,364,526
1962	2,822,790	694,705	3,517,495	5,634,159	10,151,654
1963	3,204,168	872,381	4,076,549	5,771,751	9,848,300
1964	3,218,873	1,010,365	4,229,238	6,988,263	11,217,501
1965	3,274,323	1,042,517	4,316,840	6,081,219	10,398,059
1966	3,154,440	920,011	4,074,451	5,161,681	9,236,132
% incr./decr. '66 vs. 1st yr.	132.4	218.2	147.5	104.3	121.3

Source: Box Elder County Audit Reports.

C42-10

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY Box Elder

STATE Utah

	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
YEAR	Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	1,006	236	382	1,624	5.48	70.61	5.56	71.58	11.04	142.19
1958	1,161	268	340	1,769	5.82	76.58	6.06	79.80	11.88	156.38
1959	1,358	290	383	2,031	5.93	86.06	6.17	89.56	12.10	175.62
1960	1,557	390	640	2,587	6.88	101.85	7.30	108.19	14.18	210.04
1961	1,609	431	655	2,695	6.04	103.26	6.93	118.44	12.97	221.70
1962	1,853	468	723	3,044	6.44	114.87	7.44	132.74	13.88	247.61
1963	1,933	620	869	3,422	5.58	100.65	6.65	119.90	12.23	220.55
1964	2,170	668	983	3,821	5.94	110.75	6.57	122.59	12.51	233.34
1965	2,177	733	1,081	3,991	6.08	118.08	6.57	127.72	12.64	245.80
1966	2,398	1,174	928	4,500	6.59	148.51	5.96	134.47	12.55	282.98

1/ Excludes Corporation Net Income Taxes.

Sources: Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col. (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

C42-11

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Box Elder

STATE Utah

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditur Per Capita (5)
1957	$ 2,643,905	$ 358,262	$ 1,133,866	$ 4,136,033	$ 180
1958	2,895,348	298,602	1,280,484	4,474,434	194
1959	5,087,448	394,124	1,040,080	6,521,652	276
1960	4,438,625	377,076	4,110,182	8,925,883	351
1961	5,497,729	430,157	3,364,431	9,292,317	356
1962	6,758,760	512,770	2,546,397	9,817,927	370
1963	4,031,160	579,973	3,084,463	7,695,596	226
1964	5,314,344	498,648	3,214,985	9,027,977	262
1965	6,969,190	518,575	2,877,485	10,365,250	307
1966	6,490,262	575,690	2,853,611	9,919,563	327
% incr./decr.'66 vs. first year	145.5	60.7	151.7	139.8	81.7
% incr./decr.'66 vs. first year per capita	86.1	18.8	91.8	81.7	

Source: Box Elder County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

c42-12

County Box Elder

State Utah

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial, Industrial	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal	(7) Other 2/	(8) Total Assessed Value
1957 Assessed Value	$ 4,213,500	$ 2,082,735	$17,925,236	$11,606,385	$ 98,995	$ 739,741	$	$36,666,592
Aver. Tax Rate 44.9 mills								
Item % of Total	11.5	5.7	48.8	31.7	0.3	2.0		100.0
1958 Assessed Value	4,361,480	2,455,375	18,173,593	11,560,850	95,384	4,549,106		41,195,788
Aver. Tax Rate 45.3 mills								
1959 Assessed Value	5,050,995	2,487,390	16,616,363	11,563,894	94,379	5,793,633		41,606,654
Aver. Tax Rate 50.8 mills								
1960 Assessed Value	7,146,800	4,314,935	19,219,835	11,539,040	92,989	8,025,196		50,338,795
Aver. Tax Rate 54.6 mills								
1961 Assessed Value	8,291,845	4,561,940	18,886,961	11,427,390	18,476	9,565,811		52,752,423
Aver. Tax Rate 58.6 mills								
1962 Assessed Value	9,457,095	6,016,552	19,358,982	11,634,415	18,322	11,847,884		58,333,250
Aver. Tax Rate 60.3 mills								
1963 Assessed Value	10,752,040	8,457,195	18,652,704	11,594,285	18,312	14,521,524		63,996,060
Aver. Tax Rate 63.7 mills								
1964 Assessed Value	11,072,440	8,404,360	18,749,862	11,757,018	18,187	14,764,412		64,766,279
Aver. Tax Rate 65.3 mills								
1965 Assessed Value	11,430,860	8,127,420	19,223,185	11,649,705	34,162	13,487,853		63,953,185
Aver. Tax Rate 67.5 mills								
1966 Assessed Value 1/	11,617,235	7,601,383	19,487,483	11,733,083	35,174	11,636,176		62,110,534
Aver. Tax Rate 65.6 mills								
Item % of Total	18.7	12.2	31.4	18.9	0.1	18.7		100.0
Increase/Decrease '66 vs. '57	175.7	265.0	8.7	1.1	(64.5)	1,473.0		69.4

1/Assessed value represents 21 percent of actual market value in 1966.
2/Included in other items.
Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

C42-13

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = UTAH COUNTY = BOX ELDER										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	2458	2052	2085	2242	1308	1501	1574	1801	1637	1625
PERCENT BASE YEAR	100.0	83.5	84.8	91.2	53.2	61.1	64.0	73.3	66.6	66.1
PROGRAM ACREAGE	89629	90549	90869	91412	92035	93409	93862	95490	95650	97558
REVENUE $ PER ACRE	0.03	0.02	0.02	0.02	0.01	0.02	0.02	0.02	0.02	0.02
MIGRATORY BIRD ACT										
FEDERAL PAYMENTS ($)	141	112	112	36	202	48	36	30	35	1082
PERCENT BASE YEAR	100.0	79.4	79.4	25.5	143.3	34.0	25.5	21.3	24.8	767.4
PROGRAM ACREAGE	64900	64899	64899	64899	64889	64899	64895	64895	64895	65925
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.02
MINERAL LEASING ACT										
FEDERAL PAYMENTS ($) *	NA	NA	NA	1205	72	0	4457	4085	8796	3849
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	6.0	0.0	369.9	339.0	730.0	319.4
TAYLOR GRAZE SECT 3										
FEDERAL PAYMENTS ($)	NA	NA	NA	1808	1549	1445	1613	1917	1970	2139
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	85.7	79.9	89.2	106.0	109.0	118.3
PROGRAM ACREAGE	NA	NA	NA	782503	781916	782513	1045932	1044469	997334	865583
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	2599	2164	2197	5291	3131	2994	7680	7833	12438	8695
PERCENT BASE YEAR	100.0	83.3	84.5	203.6	120.5	115.2	295.5	301.4	478.6	334.6
PROGRAM ACREAGE	154529	155448	155768	938814	938840	940821	1204689	1204854	1157879	1029066
REVENUE $ PER ACRE	0.02	0.01	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.01

NA = data not available.

* Under state law the county receives only 10% of mineral leasing RS.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

C42-14

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4A
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS.NON SECTION 10 LANDS
(AND TOTALS FOR ALL SECTION 10 AND NONSECTION 10 PROGRAMS)

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = UTAH										
COUNTY = BOX ELDER										
NATL GRASSLANDS (BLM)										
FEDERAL PAYMENTS ($)	NA	NA	0	0	0	0	0	0	0	5
PERCENT BASE YEAR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
PROGRAM ACREAGE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ALL SECTION 10 & NONSECTION 10 PROGRAMS										
FEDERAL PAYMENTS ($)	2599	2164	2197	5291	3131	2994	7680	7833	12438	8700
PERCENT BASE YEAR	100.0	83.3	84.5	203.6	120.5	115.2	295.5	301.4	478.6	334.7
PROGRAM ACREAGE	154529	155448	155768	938814	938840	940821	1204689	1204854	1157879	1029066
REVENUE $ PER ACRE	0.02	0.01	0.01	0.01	0.00	0.00	0.01	0.01	0.01	0.01

NA = data not available.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

C42-15

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID, BPR SLIDING SCALE PROGRAM, TO COUNTY

COUNTY Box Elder

STATE Utah

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ 759,949	$ 112,057
1958	213,355	71,118
1959	282,118	94,039
1960	2,203,492	115,973
1961	2,395,556	126,082
1962	228,424	76,141
1963	2,096,298	262,396
1964	708,938	186,721
1965	1,480,492	222,760
1966	1,433,279	156,020

Source. U.S. Bureau of Public Roads, allocation by EBSMC.

C42-16

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Box Elder

STATE: Utah

Supplying Agency	Type of Goods & Services	Annual Value
BLM	Trees	$ 300
	Fence Posts	90
	Road Construction Material	10,000
	Land	654
	Total	$11,044

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County Box Elder

State Utah

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 94,928	$ 9,546	$ 104,474
1958	165,594	12,704	178,298
1959	123,097	8,792	131,889
1960	158,777	18,165	176,942
1961	144,802	7,095	151,897
1962	177,019	5,400	182,419
1963	242,524	9,658	252,182
1964	249,116	22,200	271,316
1965	244,212	15,900	260,112
1966	324,779	25,018	349,797
Average Year	192,485	13,448	205,933
Item % of Total, Average Year	93.5	6.5	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Cache National Forest

County Box Elder

State Utah

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 600	$ 50	$ 350	$ 400	$ 0	$ 0	$ 1,867	$ 0	$ 0	$ 3,267
1958	625	60	365	400	0	0	8,619	0	0	10,069
1959	640	60	380	415	0	0	4,692	0	0	6,187
1960	650	65	375	425	0	0	11,940	0	0	13,455
1961	727	75	375	440	0	0	2,916	0	0	4,533
1962	675	68	460	573	0	0	2,308	0	0	4,084
1963	786	70	475	1,060	0	0	1,897	0	0	4,288
1964	1,760	75	375	954	0	0	2,485	0	0	5,649
1965	1,750	75	400	950	0	0	3,100	0	0	6,275
1966	1,800	80	430	1,400	0	0	3,500	0	0	7,210

Source: Federal Agencies' Field Offices.

C42-19

C42-20

Federal Agency US Forest Service

Program Caribou National Forest

County Box Elder

State Utah

TABLE NO. C-7a

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FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 750	$ 325	$ 200	$ 0	$ 0	$ 0	$ 0	$ 0	$ 50	$ 1,325
1958	800	375	335	0	0	0	0	0	80	1,590
1959	800	400	335	0	0	0	0	0	65	1,600
1960	800	450	350	0	0	0	0	0	75	1,675
1961	700	550	355	0	0	0	0	0	75	1,680
1962	600	1,100	390	0	0	0	0	0	100	2,190
1963	750	1,400	370	0	0	0	0	0	90	2,610
1964	1,400	1,100	460	0	0	0	0	0	125	3,085
1965	1,700	950	550	0	0	0	0	0	145	3,345
1966	1,900	900	600	0	0	0	0	0	190	3,590

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Sawtooth National Forest

County Box Elder

State Utah

TABLE NO. C-7a

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FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 471	$ 9,545	$ 471	$ 589	$ 0	$ 0	$ 928	$ 236	$ 265	$ 12,505
1958	613	8,349	545	768	0	0	1,014	230	292	11,811
1959	697	8,313	951	906	0	0	1,416	377	347	13,007
1960	754	8,818	457	914	0	0	1,554	609	610	13,716
1961	1,040	5,774	426	1,278	0	0	2,114	426	639	11,697
1962	1,038	6,963	192	1,289	0	0	1,420	575	1,055	12,532
1963	1,331	10,765	296	958	0	0	1,429	610	1,115	16,504
1964	1,247	13,167	437	873	0	0	1,921	926	2,096	20,667
1965	1,554	8,221	523	1,151	0	0	1,883	1,067	1,673	16,072
1966	1,279	13,406	260	1,211	0	0	2,250	934	1,557	20,897

Source: Federal Agencies' Field Offices.

Federal Agency Interior - BLM

Program All

County Box Elder

State Utah

TABLE NO. C-7a

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FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 0	$ 26,588	$ 4,200	$ 0	$ 0	$ 0	$ 0	$ NA	$ 11,212	$ 42,000
1958	4,821	46,232	12,742	0	0	0	0	NA	27,205	91,000
1959	3,750	34,500	7,450	0	0	0	0	NA	10,300	56,000
1960	6,296	59,504	12,504	0	0	12,504	0	NA	3,192	94,000
1961	5,303	52,884	11,859	0	0	0	0	NA	7,954	78,000
1962	9,484	69,871	9,387	0	0	0	0	NA	13,258	102,000
1963	25,936	47,550	12,968	0	0	0	0	NA	44,546	131,000
1964	24,645	65,936	12,322	21,979	0	0	0	NA	15,118	140,000
1965	16,162	54,906	9,007	14,437	0	0	37,754	NA	10,734	143,000
1966	19,480	71,549	8,616	17,418	0	0	48,792	NA	39,145	205,000

Source: Federal Agencies' Field Offices.

Federal Agency Bureau of Sport Fisheries & Wildlife

Program Bear River National Wildlife Refuge

County Box Elder

State Utah

TABLE NO. C-7a

Page 5 of 5

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 450	$ 0	$ 0	$ 1,500	$ 0	$ 0	$ 0	$ 43,427	$ 0	$ 45,377
1958	600	0	0	2,000	0	0	0	59,628	0	62,228
1959	550	0	0	2,000	0	0	0	52,545	0	55,095
1960	540	0	0	2,500	0	0	0	51,506	0	54,096
1961	550	0	0	3,000	0	0	0	52,937	0	55,987
1962	600	0	0	3,500	0	0	0	57,513	0	61,613
1963	1,175	4,000	0	4,400	0	0	6,500	71,460	0	87,535
1964	1,000	4,000	0	6,000	0	0	10,000	72,915	0	93,915
1965	1,000	4,000	0	9,000	0	0	10,200	67,420	0	91,620
1966	1,200	900	3,100	21,600	0	0	12,000	74,200	0	113,000

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Box Elder

STATE Utah

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Grazing (Class II)	$ 2.00	6,099	$ 12,198	59.05	$ 720	12¢
Grazing (Class III)	1.00	46,948	46,948	59.05	2,772	6
Wasteland & Grazing (Class IV)	.50	43,911	21,955	59.05	1,297	3
Other	25.00	600	15,000	67.05	1,006	168
BSF&W						
Marsh	3.00	13,390	40,170	59.05	2,372	18
Semi-arid, water	1.00	52,535	52,535	59.05	3,102	6
BLM						
Grazing	3.00	126,000	378,000	59.05	22,321	18
Grazing	2.00	173,000	346,000	59.05	20,431	12
Grazing	1.00	164,583	164,583	59.05	9,719	6
Grazing	.50	391,000	195,500	59.05	11,544	3
Wildlife & Recreation	6.00	8,000	48,000	59.05	2,834	35
Industrial & Commercial	10.00	3,000	30,000	59.05	1,771	59
Totals	$ 1.25	1,029,066	$ 1,350,889	59.13	$ 79,889	7¢

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

Federal Agency US Forest Service
Cache, Caribou & Sawtooth
Revenue Sharing Program National Forests (25%)[a/]

County Box Elder

State Utah

C42-25

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 x a/)
1957	$ 10,977	$ 1,145	$ 9,832	$ 2,458	$ 286
1958	9,374	1,158	8,216	2,054	290
1959	9,432	1,084	8,348	2,087	271
1960	10,498	1,522	8,976	2,244	380
1961	6,978	1,738	5,240	1,310	434
1962	7,937	1,929	6,008	1,502	482
1963	8,243	1,939	6,304	1,576	485
1964	8,788	1,580	7,208	1,802	395
1965	8,886	2,334	6,552	1,638	584
1966	10,021	3,517	6,504	1,626	879

Source Federal Agencies' Field Offices.

County Box Elder

State Utah

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

		P.L. 815		P.L. 874	
Years	Total School Budget	Aid Provided	% of Total Budget	Aid Provided	% of Total Budget
1957	$ 2,643,905	$ 0	0	$ 61,104	2.3
1958	2,895,348	0	0	63,358	2.2
1959	5,087,448	0	0	78,244	1.5
1960	4,438,625	0	0	93,475	2.1
1961	5,497,729	191,168	3.5	138,448	2.5
1962	6,758,760	0	0	201,400	3.0
1963	4,031,160	591,086	14.7	204,895	5.1
1964	5,314,344	0	0	128,212	2.4
1965	6,969,190	0	0	93,528	1.3
1966	6,490,262	0	0	143,943	2.2

Sources: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

C42-26

CASE COUNTY DIGEST
KANE, UTAH

I. The County

a. General Description: Kane County is a large but sparsely populated county located in the southern part of the state, bordering on Arizona. This rural county contains four municipalities, the largest of which is Kanab, the county seat, with a population of less than 1,500. It also contains one unified school district and three fire districts. The municipalities have their own administration, streets, law enforcement, fire protection, recreation, sanitation facilities and cemetery operation departments. For all other public services, including tax assessment and collection, legal services, all developmental and planning activities as well as all health and welfare, they rely upon the services furnished by the county government. The school district engages solely in the administration of county schools and is furnished all other public services by the county government.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	2,667	1966	2	2,600	- 2.5
Urban 1/	1960	1	0	1966	2	0	0
Rural	1960	1	2,667	1966	2	2,600	- 2.5
Employment	1959	3	257	1966	3	220	-14.4
Effective Buying Income ($000)	1960	2	3,255	1966	2	4,209	29.3
Per Capita EBI ($)	1960	2	1,206	1966	2	1,619	34.2
Public School Enrollment (K-12)	1960	1	762	1965	4	800	5.0

1/ Includes areas of 2,500 people or more.

Sources:
1. U.S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U.S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U.S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

These figures show a decline in total county population and in total employment during the 1960-1966 period. Although total effective buying income increased by 29% and per capita EBI increased by 34% during this period, the other statistics suggest an overall decline in economic activity. Despite the decrease in total population there was a small increase in public school enrollment (K-12) which, as will be shown, caused substantial financial burden.

c. The Land: The county comprises a total of 2.6 million acres. According to county records, over 90% or 2.3 million acres are in Federal ownership. However, data furnished by the Federal agencies managing the Federal lands in the county do not corroborate this figure and county officials are not able to document their contention. Also, the acreage figure provided by BLM for TG-3 grazing districts does not correspond with the figure contained in BLM statistics "State Series, Congressional Districts and Counties". While it has not been possible to identify the cause of these differences, this digest is based upon the figures furnished for the specific purpose of this study by the responding agencies.

Accordingly, the following Federal land area is shown for Kane County (1966):

Forest Service (FS)	
Dixie National Forest	126,681 acres
Bureau of Land Management (BLM)	
Grazing Districts, TG-3 [1]	1,945,406 acres
Mineral Leasing (included in TG-3 approximately 465,000)	
Mineral Leasing, State Selected Lands (understood to be insignificant)	N.A.
	2,072,087 acres

II. County Finance

a. Revenue: Table No. C-1 contains revenue data for the period 1957-1966. During this period total receipts increased by 53% or about $300,000. However, this increase, unlike that for most other counties did not result from a consistently increasing trend. Rather, the changes in total receipts from year-to-year are erratic and reflect changes in receipts from non-property taxes and other revenues including RS payments. They also reflect proceeds from bond issues. Collection from property taxes rose at a fairly steady pace, the total increase between 1957 and 1966 approximating $100,000 or 62%. In 1966, total property tax collections accounted for just under 30% of the county's total revenue.

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[1] The above-mentioned State Series lists TG-3 as 1,522,519 acres.

During the period 1956-1966 total outstanding bonded indebtedness increased from $231,000 to slightly over one million. The summary at the end of the case study digest contains figures for the face value and outstanding debt as of 1966 by category.

Table No. C-1a shows the much larger increase in the collection of state taxes within the county as compared with the increase in the collection of local property taxes. State and local property taxes combined increased during the 10-year period at a rate of 98% per capita and 20% as a percent of EBI.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the period 1957-1966. The increase in total expenditures between 1957 and 1966 amounted to approximately $350,000, about $335,000 was for education and about $35,000 for highway maintenance; other expenditures declined. On a per capita basis expenditures for education increased by 176% while total expenditures per capita increased only 71%.

c. Property Taxes: As is shown in Table No. C-3 which contains the assessed value of property subject to tax for the period 1957-1966, the property tax base increased by only 14% and reflects the lack of growth in the county. The tax rate, however, increased continuously to where the 1966 weighted average tax rate is 40% higher than the 1957 rate. The taxable property showing the largest increase in assessed value is public utilities and its share of the total tax base grew from 9% in 1957 to 27% in 1966.

Included in the tax base are the assessed values of residential properties constructed on national forest lands and commercial leaseholds on BLM lands. The summary enclosed at the end of the case study digest shows the estimated assessed value of these possessory interests and the tax revenues collected from them. The figures are $25,000 and $1,600 respectively, both insignificant in comparison with the county totals.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: Table No. C-4 contains details for revenue sharing payments and applicable acreages for the period 1957-1966, to the extent that these are available. The only program resulting in substantial RS payments is mineral leasing, and the figures shown in Table No. C-4 reflect payments made to the state of Utah of which only 10% is related to the county. Correspondingly, the total payments shown for 1966, which include $144 from mineral leasing on state-selected lands [74 Stat. 1024 (1960), 43 U.S.C. §852 (1964)], amount to $187,316 which includes the amount received by the state. The county, however, received only $19,644. This actual payment to the county represents a small contribution, just over 2%, to total county revenue.

b. Indirect Benefits: Only in seven of the 10 years from 1957 to 1966 have there been allocations to the county under the BPR Sliding Scale Highway Aid Program. Table No. C-5 contains the appropriate figures. It shows that in 1966 no allocation was made to the county.

c. Value of Free Goods and Services: BLM provided the county with the free use of certain tracts of land for rights-of-way and also supplied free of charge certain construction materials. Table No. C-6 contains an estimate of the annual value of these free goods and land use. It shows a total of $28,000.

d. Federal Facilities and Services Having Joint Use: The Forest Service reported the free use by the county of certain roads and trails constructed and maintained by the Forest Service. Based on the construction, annual maintenance cost and the percentage of usage by the county, it was estimated that the annual value of the free use of these facilities was $7,243.

e. Resource Expenditures - Management: The Forest Service and BLM made resource program expenditures in each year during the 10-year study period. Table No. C-7 contains a summary of the expenditures by both agencies. It shows a steady increase in these expenditures which, in 1966, reached a high of $404,400 and which averaged $235,300 per year during the 10-year period. Only about 16% of these expenditures were attributable to expenditures of a capital nature.

Tables No. C-7a1 and 2 contain the detailed expenditure figures for each agency by expenditure category.

The survey of management functions performed by the two Federal agencies show that both are engaged in a full range of multiple use land management; however, neither of the agencies reported any emphasis upon a maximization of the economic output from these lands.

IV. Burdens to Local Government

a. Direct Burdens: The county has identified a variety of financial burdens which are attributable to the presense of public land. The financial burdens, net of reimbursement by Federal aid, have been identified as follows:

Maintenance of Roads	$ 20,000
Law Enforcement	2,500
Hospital	1,000
Administrative Services performed by County Clerk/Auditor	500
	$ 24,000

b. Indirect Burden: The loss of property tax revenue to the county resulting from the immunity of the Federal lands to taxation is of relatively large proportion. Though the surface value of Federal land in Kane County is relatively low, if they were in private ownership they could be expected to generate substantial property tax revenue, substantial both as a share of present total county revenue and on a per acre basis. Table No. C-8 contains an estimate of the assessable value and the potential tax revenue for the identified Federal land acreage. It shows a total potential tax revenue of over $276,000 (about as much as was collected in 1966 from privately owned lands), averaging 13¢/acre.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: The Forest Service made K-V Fund collections in each year during the 10-year study period. Table No. C-9 contains figures reflecting the K-V Fund collections and also the revenue share "lost" as a result of these collections. It is evident that no discernible relationship exists between the amount collected for the K-V Fund in any one year and the gross receipts. In 1959, for example, the K-V Fund collection equaled 18% of gross, in 1965 it equaled 50%, and in 1966, 46% of gross. The collections in the last two years resulted in reductions of the revenue available for sharing which were equal to 99% and 82% respectively of the amounts received.

d. Public Laws 815 and 874: The county has benefited from Federal aid provided under PL's 815 and 874 in each of the years during the 10-year period. Pertinent figures are contained in Table No. C-10.

V. Impact of Present System

a. County Finance: The impact of the present system upon county finance is severe, primarily because only 10% of the RS payments from mineral leasing are rebated by the state to the county. If the entire amount of RS payments is taken into consideration, including the share withheld by the state for 1966, the following results:

Revenue Sharing (C-4)	$ 187,316
Free Goods and Services (C-6)	28,064
Value of Joint Use Facilities (III.d)	7,243
Total Direct Benefits	222,623 = 10¢/acre

From the above figures must be deducted the financial burden resulting from the existence of public land:

Direct Burden (IV.a.)	$ 24,000
Resulting Net Direct Benefit	198,623 = 9¢/acre

Though this figures is about $77,000 less than the estimated potential tax revenue if the lands were in private ownership, the actual receipts by the county, excluding the portion withheld by the state and including free goods and services and the use of Federal facilities, is only $56,563 which is equal to 3¢/acre or 20% of the tax revenue potential. In addition, it should be recognized that the approximately $56,000 of total benefits received by the county represent a mere 6% of total county receipts while the applicable lands account for over 80% of the county's total land area.

On the other hand, 1966 was an atypical year in that no sliding scale benefits from BPR highway programs accrued to the county as they had in seven of the ten years studied.

b. The Overview: County officials associate the economic plight of its residents, in part, to the effects from the presence of such a large amount of public land in their county. These officials concede that the county is receiving all the benefits it is entitled to under present Federal and state laws and, as pointed out earlier, it has not pretended that the services rendered to public lands cause a direct financial burden. They are, however, acutely aware of the loss of potential property taxes which might be collected if the Federal lands were in private ownership. They further point out that BLM has been reducing grazing permits by as much as 85% in the western portion of the county and 50% in the eastern portion and this has resulted in a reduction in the sustainable livestock operations. These reductions in allowable AUM's on grazing lands within the county are claimed to be inconsistent as between different counties and grazing districts within the county and it is further claimed that they have caused undue hardships. In addition, the Forest Service has discontinued granting of grazing permits on the lands administered by it which has forced many small ranchers to discontinue their activities in the county.

In addition to the presently exploited mineral resources on BLM lands, it is claimed that rich coal deposits are contained on much of the Federal acreage in the county. To date, there has been no demand for the extraction of this coal and it is unknown whether the Federal land management programs would facilitate exploitation of these deposits if the demand arose.

KANE, UTAH

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Residential	$17,597	$ 1,135
	Grazing	0	0
	Commercial	0	0
	Recreational	0	0
BLM	Commercial	7,426	479
	Grazing	0	0
		$25,023 1/	$ 1,614

1/ Est. Tax Revenue divided by average mill rate.

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II.a.)

Purpose	Face Value	Outstanding Balance
Schools	$ 814,000	$ 512,000
Hospital	143,000	110,000
Water	597,000	397,500
Total	1,554,000	$ 1,019,500

Source: Kane County Audit Reports.

C45-8

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Kane

STATE Utah

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$125,960	$ 36,318	$ 162,278	$ 425,423	$ 587,705
1958	147,320	42,330	189,650	548,530	738,180
1959	108,687	54,989	163,676	909,874	1,073,550
1960	124,845	42,555	167,400	722,107	889,507
1961	126,139	48,569	174,708	457,848	642,556
1962	135,050	61,927	197,977	870,106	1,068,083
1963	167,635	64,643	232,278	585,480	817,758
1964	165,789	63,423	229,212	776,346	1,005,558
1965	203,988	45,966	249,954	600,755	850,709
1966	220,699	42,100	262,799	635,633	898,432
% incr./decr. '66 vs. 1st yr.	75.2	15.9	61.9	49.4	52.9

Source: Kane County Audit Reports.

(43-4)

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY Kane

STATE Utah

YEAR	State Taxes ($000) Sales & Gross Receipts (1)	Individual Income (2)	Other[1] (3)	Total[1] (4)	Total State Taxes % of EBI (5)	Per Capita($) (6)	Local Property Taxes % of EBI (7)	Per Capita($) (8)	Total of State & Local Property Taxes % of EBI (9)	Per Capita($) (10)
1957	93	21	45	159	6.00	58.89	6.12	60.10	12.12	118.99
1958	104	28	46	178	5.68	57.42	6.05	61.18	11.60	118.60
1959	145	30	52	227	6.36	70.94	4.59	51.15	10.95	122.09
1960	147	34	68	249	7.65	92.22	5.14	62.00	12.79	154.22
1961	168	34	68	270	7.79	100.00	5.04	64.71	12.83	164.71
1962	160	35	74	269	7.51	99.63	5.52	73.32	13.03	172.95
1963	193	38	67	298	7.90	110.37	6.16	86.03	14.06	196.40
1964	182	40	77	299	7.68	110.74	5.89	84.89	13.57	195.63
1965	190	50	96	336	7.54	112.00	5.61	83.32	13.15	195.32
1966	197	72	80	349	8.29	134.23	6.24	101.08	14.53	235.31

[1] Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Kane

STATE Utah

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditure Per Capita (5)
1957	$ 202,945	$ 42,309	$ 303,102	$ 548,356	$ 203
1958	344,080	53,188	397,539	794,807	256
1959	368,754	50,604	805,141	1,224,499	383
1960	299,688	59,608	266,858	626,154	232
1961	321,207	43,339	213,879	578,425	214
1962	361,779	53,086	585,063	999,928	370
1963	368,605	91,650	324,240	784,495	290
1964	591,043	81,163	282,184	954,390	353
1965	490,594	74,827	273,930	839,351	280
1966	537,058	77,095	287,600	901,753	347
% incr./decr.'66 vs. first year	164.6	82.2	(5.1)	64.4	70.9
% incr./decr.'66 vs. first year per capita	176.0	87.5	(0.9)	70.9	

Source: Kane County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

c43-12

County Kane

State Utah

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial, Industrial	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal[2]	(7) Other	(8) Total Assessed Value
1957 Assessed Value	$ 664,626	$ 313,069	$ 294,153	$ 630,020	$ 2,515		$ 1,277,539	$ 3,181,922
Aver. Tax Rate 51.0 mills								
Item % of Total	20.3	9.8	9.2	19.8	0.1		40.1	100.0
1958 Assessed Value								
Aver. Tax Rate 52.2 mills	688,926	383,630	366,776	634,141	2,495		1,587,174	3,633,142
1959 Assessed Value								
Aver. Tax Rate 58.4 mills	716,708	415,438	348,675	633,865	2,965		685,020	2,802,671
1960 Assessed Value								
Aver. Tax Rate 57.8 mills	733,571	427,901	330,628	645,264	2,360		756,470	2,896,194
1961 Assessed Value								
Aver. Tax Rate 62.2 mills	754,396	690,784	354,474	643,933	2,020		363,203	2,808,810
1962 Assessed Value								
Aver. Tax Rate 62.2 mills	888,636	553,184	378,546	756,801	1,865		603,878	3,182,910
1963 Assessed Value								
Aver. Tax Rate 66.1 mills	907,000	587,867	399,584	779,097	2,725		837,766	3,514,039
1964 Assessed Value								
Aver. Tax Rate 69.6 mills	943,156	568,770	611,102	775,170	9,055		386,023	3,293,276
1965 Assessed Value								
Aver. Tax Rate 70.8 mills	921,708	565,465	896,187	765,748	15,808		365,508	3,530,424
1966 Assessed Value[1]								
Aver. Tax Rate 72.2 mills	1,004,560	533,405	978,098	758,362	20,290		345,160	3,639,875
Item % of Total	27.5	14.7	26.9	20.8	0.6		9.5	100.0
Increase/Decrease '66 vs. '57	51.1	70.4	232.5	20.4	706.8		(73.0)	14.4

[1] Assessed value represents 21 percent of actual market value in 1966.

[2] Included in other items.

Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = UTAH										
COUNTY = KANE										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	3249	1665	2057	2740	1379	1224	1649	1647	1322	1389
PERCENT BASE YEAR	100.0	51.2	63.3	84.3	42.4	37.7	50.8	50.7	40.7	42.8
PROGRAM ACREAGE	121602	121602	121602	121602	121602	121602	123820	123820	123081	126681
REVENUE $ PER ACRE	0.03	0.01	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01
MINERAL LEASING ACT										
FEDERAL PAYMENTS ($) *	NA	NA	NA	157244	164312	164925	196562	232534	258204	184511
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	104.5	104.9	125.0	147.9	164.2	117.3
TAYLOR GRAZE SECT 3										
FEDERAL PAYMENTS ($)	NA	NA	NA	1325	1330	1419	1471	1731	1810	1270
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	100.4	107.1	111.0	130.6	136.6	95.8
PROGRAM ACREAGE	NA	NA	NA	1709442	1709429	1709427	1425455	1549152	1666037	1945406
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	3249	1665	2057	161309	167021	167568	199682	235912	261336	187170
PERCENT BASE YEAR	100.0	51.2	63.3	4964.9	5140.7	5157.5	6145.9	7261.1	8043.6	5760.8
PROGRAM ACREAGE	121602	121602	121602	1831044	1831031	1831029	1549275	1672972	1789118	2072087
REVENUE $ PER ACRE	0.03	0.01	0.02	0.09	0.09	0.09	0.13	0.14	0.15	0.09

C43-47

NA = data not available.

* Under state law the county receives only 10% of mineral leasing RS.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4A
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS.NON SECTION 10 LANDS
(AND TOTALS FOR ALL SECTION 10 AND NONSECTION 10 PROGRAMS)

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = UTAH COUNTY = KANE										
STATE SELECTED MIN LND										
FEDERAL PAYMENTS ($)	0	0	0	0	0	0	0	0	144	144
PERCENT BASE YEAR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
PROGRAM ACREAGE	0	0	0	0	0	0	0	0	NA	NA
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ALL SECTION 10 & NONSECTION 10 PROGRAMS										
FEDERAL PAYMENTS ($)	3249	1665	2057	161309	167021	167568	199682	235912	261480	187314
PERCENT BASE YEAR	100.0	51.2	63.3	4964.9	5140.7	3157.5	6145.9	7261.1	8048.0	5765.3
PROGRAM ACREAGE	121602	121602	121602	1831044	1831031	1831029	1549275	1672972	1789118	2072087
REVENUE $ PER ACRE	0.03	0.01	0.02	0.09	0.09	0.09	0.13	0.14	0.15	0.09

C4a-74

NA = data not available.

Revenues per acre in dollars have been truncated to the nearest cent, e.g., $0.048 is shown as $0.04. Revenues per acre for all programs combined are affected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID, BPR SLIDING SCALE PROGRAM, TO COUNTY

COUNTY Kane

STATE Utah

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ 0	$ 0
1958	1,393,924	464,641
1959	2,185,637	728,546
1960	0	0
1961	40,277	13,426
1962	695,232	231,744
1963	753,165	251,055
1964	1,361,937	453,979
1965	576,393	192,131
1966	0	0

Source. U.S. Bureau of Public Roads, allocation by EBSMC.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Kane

STATE: Utah

Supplying Agency	Type of Goods & Services	Annual Value
BLM	Rights-of-way	$ 10,064
	Construction Material	18,000
Forest Service	None	0
	Total	$ 28,064

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County Kane

State Utah

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 74,862	$ 17,964	$ 92,826
1958	153,570	19,280	172,850
1959	101,628	22,650	124,278
1960	155,126	27,645	182,771
1961	270,574	23,898	294,472
1962	184,853	28,859	213,712
1963	220,098	65,248	285,346
1964	234,117	45,457	279,574
1965	245,614	57,301	302,915
1966	332,659	71,780	404,439
Average Year	197,310	38,008	235,318
Item % of Total, Average Year	83.8	16.2	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Dixie National Forest

County Kane

State Utah

TABLE NO. C-7a

Page 1 of 2

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 865	$ 4,764	$ 505	$ 7,527	$ 1,620	$ 6,761	$ 1,078	$ 143	$ 6,563	$ 29,826
1958	731	5,190	437	8,993	1,355	9,518	2,363	156	9,107	37,850
1959	2,895	6,088	878	10,196	2,623	6,071	3,386	536	8,605	41,278
1960	2,109	5,869	259	14,585	2,445	3,575	4,326	512	11,091	44,771
1961	3,189	3,821	1,600	11,209	2,306	2,103	6,309	1,016	12,632	44,185
1962	3,044	7,846	4,913	17,173	7,457	450	5,790	1,269	14,770	62,712
1963	3,071	13,793	6,413	26,390	6,723	1,665	10,585	1,468	21,238	91,346
1964	2,352	8,340	3,090	15,484	14,287	66	9,811	1,133	18,011	72,574
1965	3,625	9,286	2,724	30,420	16,838	1,032	8,441	994	17,555	90,915
1966	3,523	9,706	5,778	36,885	14,985	570	8,876	1,526	18,590	100,439

C43-18

Source: Federal Agencies' Field Offices.

Federal Agency Interior - BLM

Program All

County Kane

State Utah

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 0	$ 34,587	$ 5,546	$ 0	$ 0	$ 0	$ 0	$ NA	$ 22,867	$ 63,000
1958	6,477	68,993	19,304	0	0	0	0	NA	40,226	135,000
1959	5,565	51,294	11,203	0	0	0	0	NA	14,938	83,000
1960	9,249	82,244	20,148	0	0	18,629	0	NA	7,730	138,000
1961	7,702	77,968	17,830	0	0	0	0	NA	11,500	115,000
1962	13,436	105,098	13,436	0	0	0	0	NA	19,030	151,000
1963	38,219	70,810	19,790	0	0	0	0	NA	65,181	194,000
1964	36,840	96,671	19,046	32,704	0	0	0	NA	21,739	207,000
1965	24,166	79,554	13,363	21,418	0	0	56,388	NA	16,111	211,000
1966	29,177	105,778	13,987	25,843	0	0	73,268	NA	55,947	304,000

Source: Federal Agencies' Field Offices.

C43-20

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Kane

STATE Utah

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
BLM						
Watershed (Grazing - Class I)	$ 1	303,021	$ 303,021	64.5	$ 19,545	6¢
Grazing - Class II	2	852,015	1,704,030	64.5	109,910	13
Grazing - Class III	3	93,000	279,000	64.5	17,996	19
Grazing - Class IV	4	18,000	72,000	64.5	4,644	26
Recreation Sites	13	7,708	100,204	64.5	6,463	84
Minerals	2	671,662	1,343,324	64.5	86,644	13
Forest Service						
Waste	1	39	39	64.5	3	6
Grazing - Class II	2	41	82	64.5	5	13
Grazing - Class III	3	52,361	157,083	64.5	10,132	19
Grazing - Class IV	4	54,541	218,164	64.5	14,072	26
Timberland - Commercial	5	19,240	96,200	64.5	6,205	32
Permanent Pasture	16	459	7,344	64.5	474	103
Totals	$ 8	2,072,087	$ 4,280,491	64.5	$ 276,093	13¢

1/ Composite produced from estimates for each land class or type.

2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

Federal Agency U.S. Forest Service

Revenue Sharing Program Dixie National Forest (25%)[a]

County Kane

State Utah

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 × a/)
1957	$ 1,951	$ 652	$ 12,999	$ 3,250	$ 163
1958	9,352	2,691	6,661	1,665	673
1959	10,045	1,816	8,229	2,057	454
1960	14,569	3,606	10,963	2,741	902
1961	9,618	4,307	5,311	1,380	1,077
1962	7,793	2,895	4,898	1,224	724
1963	11,686	5,088	6,598	1,650	1,272
1964	10,397	3,809	6,588	1,647	952
1965	10,510	5,221	5,289	1,322	1,305
1966	9,997	4,561	5,436	1,389	1,140

Source: **Federal Agencies' Field Offices.**

C43-21

C43-22

TABLE NO. C-10

County Kane

State Utah

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

		P.L. 815		P.L. 874	
Years	Total School Budget	Aid Provided	% of Total Budget	Aid Provided	% of Total Budget
1957	$ 202,945	$ 4,576	2.3	$ 4,575	2.3
1958	344,080	17,265	5.0	17,265	5.0
1959	368,754	18,553	5.0	18,553	5.0
1960	299,688	15,425	5.1	15,425	5.1
1961	321,207	27,251	8.5	27,251	8.5
1962	361,779	26,000	7.2	26,000	7.2
1963	368,605	25,013	6.8	25,013	6.8
1964	591,043	19,738	3.3	19,738	3.3
1965	490,394	21,707	4.4	21,707	4.4
1966	537,058	13,486	2.5	13,486	2.5

Sources: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

CASE COUNTY DIGEST
JEFFERSON, WASHINGTON

I. The County

a. General Description: Jefferson County is one of the smaller public land-intense counties in Washington. It is located in the western part of the state and borders on the Pacific Ocean. The only municipality in the county is Port Townsend, the county seat; however, there are five school districts and 11 special districts in this county. The county government provides the bulk of local governmental services which are duplicated by the sole municipality alone. The special districts are engaged in the road maintenance and construction, hospital, fire protection, port authority, and public utility. The relatively large land area is sparsely populated. The bulk of the population resides in the western and eastern part of the county since western Jefferson County is relatively isolated due to its rugged terrain. Access to most of it requires a circuitous 200-mile drive through two other counties. The western part also contains a large rain forest, part of the Olympic National Park, which has an average annual rainfall of 200 inches. In the center of the county is Mt. Olympus, elevation of 9,000 feet, surrounded by several hundred thousand acres of virtually unexplored land.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	9,639	1966	2	10,000	3.7
Urban[1]	1960	1	5,070	1966	2	5,200	2.6
Rural	1960	1	4,569	1966	2	4,800	5.1
Employment	1959	3	1,566	1966	3	1,584	1.1
Effective Buying Income ($000)	1960	2	17,296	1966	2	22,121	27.9
Per Capita EBI ($)	1960	2	1,821	1966	2	2,212	21.5
Public School Enrollment (K-12)	1960	1	2,649	1965	4	2,600	-1.8

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[1] Includes areas of 2,500 people or more.

Sources:
1. U.S. Bureau of the Census, U.S. Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U.S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U.S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

The population figures for the 1960-1966 period indicate a small amount of growth, more than one-half of which occurred in the county's rural areas. The growth in employment lagged behind that of population, although both total effective buying and per capita EBI increased moderately during the six-year period. Public school enrollment (K-12) declined slightly through the 1960-1965 period.

c. The Land: Of the total land area in the county comprising approximately 1.2 million acres, 772,000 are in Federal ownership. The land area of Olympic National Forest containing Olympic National Park represents 684,000 acres of Federal land. The balance represents miscellaneous Federal land holdings which are not subject to PILT or RS programs.

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the period 1957-1966. During this period total receipts rose over $1.8 million at a rate of 84%. Consistent with other Washington state counties, is the fact that property taxes collected in Jefferson County account for a relatively small share of total county receipts. In 1966, the $750,000 collected for property taxes accounted for just under 19% of the total. The bulk of the revenue stemmed from "Other Taxes and Revenues", including the substantial revenue sharing payments from the Forest Fund.

The county's bonded debt during the period 1956-1966 was reduced some $700,000 or approximately 20%. While several moderately sized bond issues were floated during this period for schools, port facilities and utilities, the reduction in outstanding debt accounted for a greater amount than the newly created debt. The summary appended at the end of the case study digest contains the 1966 figures.

As can be seen by Table No. C-1a, per capita collection of state taxes (excluding Corporation Net Income Taxes) increased from $115 to $166 while per capita collection of local property taxes increased from $53 to $75. Combined state and local taxes increased almost 11% as a percent of EBI and 44% per capita.

b. Expenditures: Table No. C-2 contains the expenditure data for the 10-year period 1957-1966. It shows a lesser increase in expenditures than in receipts for the comparable period. The county's budget was reasonably balanced in most of the 10 years and no substantial increase in per capita expenditures (and likewise revenue per capita) occurred. It is noteworthy that expenditures for education, despite the decline in public school enrollment, increased $1 million or 80%, while expenditures for highways increased only $42,000 or 8%.

c. Property Tax: Table No. C-3 shows that total assessed value in the county increased at a greater rate than did expenditures. This greater rate is attributable to the large increase of over $4 million in total assessed value in 1966. Rural properties accounted for an increase of over $3.5 million, residential properties and personal properties increased by $2 million each out of the total increase of $8.5 million. The applicable average mill rate increased in 1964 and and again in 1965. However, it decreased in 1966 while the assessment increased by $4.4 million. The 1966 mill rate applied to the assessed value is equal to a mill rate of 8.80 on a full market value basis.

The county has not elected to tax the possessory interests and leasehold improvements located on Federal lands. They are composed of water transmission and agricultural leases which are believed to have a negligible value for assessment purposes.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: As mentioned before, the FS is the only Federal agency with an active revenue sharing program in the county. The county's share of net revenues from timber sales is approximately 45%, though a smaller share is attributable to the Olympic National Forest lands located within the county. The act of June 29, 1938 (16 U.S.C. 251 and 16 U.S.C. 253) creating the Olympic National Park from the forest lands provided an offset for the revenue sharing which might be lost over the years as a result of the drastic reduction in acreage available for timber cutting. Consequently, Jefferson County's share of the net revenues is based on the ratio of forest and park lands located within the county rather than the forest lands alone. The FS estimates that of the 684,000 acres under its jurisdiction, only approximately 155,000 are now reserved for the national forest with the remaining 529,000 acres being reserved for the national park.

The figures in Table No. C-4 contain acreage and payment data for the 10-year period 1957-1966. The acreage data therein reflects the entire FS holdings. Revenue sharing payments were substantial in all years during the 10-year period with the high in 1960 amounting to over $732,500 and the low in 1963 amounting to just under $400,000.

When the 1966 payment of $459,292 is allocated to the entire forest acreage it results in a payment of 67¢/acre. However, when this payment is apportioned to the acreage reserved for commercial timber operations it results in a payment of $3/acre.

b. Indirect Benefits: The State of Washington is eligible for the BPR Sliding Scale Highway Aid Program and as a result thereof payments were made in nine of the 10 years, from 1957-1966, allocable to Jefferson County. Table No. C-5 contains the figures for this period. In 1966, the amount of Federal highway aid attributable to the presence of public lands in the county amounted to only $2,774, and when this amount is reduced by the known revenue sharing applicable acreage (not the national parks' acreage but the other public domain acreage), the net amount for 1966 is reduced to $2,108.

c. Value of Free Goods and Services: The FS provided the county (and the state) with several tracts of lands, roads and rights-of-way free of charge. Table No. C-6 contains a summary of the estimated annual value of these free goods and services which amounted to $4,898 in 1966.

d. Federal Facilities and Services Having Joint Use: The county government also benefits from the provision of free search and resuce services and several road easements which resulted in an estimated annual value of $3,536.

e. Resource Expenditures - Management: The FS, within the framework of its routine land management program, expended considerable sums for various categories within its resource expenditures program. Table No. C-7 contains the figures from 1957-1966. They show a consistent annual increase in total expenditures which in 1966 reached the level of $637,000. Average annual expenditures for the 10-year period were $419,000 with 58% allocable to administrative and operating expenditures. Table No. C-7a1 contains the expenditures detailed by category.

In addition to the conventional activities of the FS within the framework of its land management program, its activities in Olympic National Forest included assistance in the field of wood utilization and marketing of wood products.

IV. Burdens to Local Government

a. Direct Burdens: County officials claim that considerable expenditures were incurred by the county government for highway and sanitary engineering on, or relating to, Federal lands. Additionally, known reimbursed search and resuce operations upon Federal land imposed financial burdens. The summary at the end of the case study digest contains data relating to these two items which total $75,000 per year.

b. Indirect Burden: The immunity of the Federal lands to taxation by local governments inevitably represents a loss of revenue. Any effort to estimate the magnitude of this revenue loss in Jefferson County might be limited to the lands reserved for timber production rather than including also the acreage within the national part. However, in order to provide a consistent method of comparison, the total Federal land area subject to revenue sharing has been included in Table No. C-8. It shows an estimated total assessed value of $1.8 million with a potential tax yield of $60,248 or 9c/acre.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: During the 1957-1966 period, the gross receipts available for revenue sharing were reduced by specified costs. As shown in Table No. C-9, which contains the pertinent data, the reductions from gross receipts were of remarkably small magnitude. In 1962, for example, the reduction accounted for approximately 2% of gross receipts while in 1966 it accounted for approximately 4%. The resulting reduction in shared revenue varied from under $5,000 to just under $20,000, representing approximately 1% and less than one-half of 1% of the shared revenue respectively.

Additionally the RS payments to the county have been reduced as a result of the FS's practice to reduce the value of the timber purchase contracts by the estimated cost of construction and reconstruction of harvest roads. If this reduction had not been made in 1966 -- it amounted to $622,073 -- the RS payment to the county would have been increased by $155,518.

d. Public Laws 815 and 874: The school districts in Jefferson County did not qualify in any of the last 10 years for Federal aid under Public Law 815; however they did qualify under Public Law 874. Table No. C-10 contains the figures for aid provided under PL 874 for this period.

V. Impact of Present System

a. County Finance: The impact of the present system in Jefferson County is generally positive. It may be summarized as follows (1966 figures):

Revenue Sharing (C-4)	$459,292
Sliding Scale Payments (C-5)	2,418[1]
Free Goods & Services (C-6)	4,898
Joint Use Facilities (III.d.)	3,536
Total Direct Benefits	$470,144

From this must be deducted the financial burden resulting from the presence of public lands:

Direct Burden (IV.a.)	$ 75,000
Resulting Net Benefits	$395,144

---

[1] Share applicable to RS subjected lands.

When these benefits are applied to the total acreage in the county for which they are to serve as compensation for the loss of property taxes, they amount to an average of 58¢/acre. When this figure is compared with the potential tax revenue estimate in Table No. C-8, it shows the great benefit that Jefferson County receives as a result of the FS revenue sharing program which yields a per acre value six times that in Table No. C-8. To this comparison the rationale might be added that, additionally, indirect benefits accrued to the county from the tourist trade related to the Olympic National Forest. Thus, when an estimate for the indirect economic benefits is added to the actual revenue, it is apparent that the prevailing revenue sharing program results in total net benefits which, combined with the other indirect benefits (not estimated within the scope of this study), result in far greater total benefits than if the land were in private ownership.

b. The Overview: The county officials are quite conscious of the fact that county finance greatly benefits from the present revenue sharing program. Contrary to the attitude of local officials in most of the counties subjected to study, the officials of Jefferson County are concerned that no change should occur in the present system and specifically their share of the Forest Fund revenues.

Local officials suggest, however, that the single use concept applied to the substantial acreage of Olympic National Park lying within Jefferson County is a wasteful and uneconomical approach. In the view of these officials, millions of board feet of ripe lumber are being lost each year as a result of the prohibition against timber cutting on these park lands. Not only does this practice result in the unrecoverable loss of this natural resource but it also restricts the most important economic activity in the county and the revenues available to county government for the provision of public service.

JEFFERSON, WASHINGTON

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Rights-of-way	0	0

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Schools	$ 906,960	$ 841,000
Sewage	75,000	37,000
Other	390,000	316,000
Water	2,545,000	1,932,000
Total	$3,916,960	$3,126,000

Source: Jefferson County Audit Reports.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Jefferson

STATE Washington

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 295,526	$ 132,648	$ 428,174	$ 1,747,069	$ 2,175,243
1958	335,487	140,181	475,668	1,823,441	2,299,109
1959	307,699	170,392	478,091	2,278,806	2,756,897
1960	351,374	145,970	497,344	2,474,946	2,972,290
1961	375,421	163,977	539,398	2,245,107	2,784,505
1962	377,600	160,138	537,738	2,243,565	2,781,303
1963	383,778	173,715	557,493	2,643,578	3,201,071
1964	413,198	191,600	604,798	4,659,925	5,264,723
1965	456,978	201,207	658,185	2,671,656	3,329,841
1966	531,367	217,670	749,037	3,260,953	4,009,990
% incr./decr. '66 vs. 1st yr.	79.8	64.1	74.9	86.7	84.3

Source: Jefferson County Audit Reports.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY Jefferson

STATE Washington

	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
YEAR	Sales & Gross Receipts (1)	Individual Income (2)	Other[1] (3)	Total[1] (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	752	0	176	928	6.75	114.57	3.11	52.86	9.86	167.43
1958	709	0	195	904	6.76	111.60	3.56	58.72	10.32	170.32
1959	748	0	216	964	6.71	114.76	3.33	56.92	10.04	171.68
1960	819	0	270	1,089	6.30	114.63	2.88	52.35	9.18	166.98
1961	857	0	267	1,124	7.81	120.86	3.75	58.00	11.56	178.86
1962	915	0	272	1,187	8.20	130.46	3.71	59.10	11.91	189.56
1963	1,015	0	321	1,336	8.35	134.95	3.49	56.31	11.84	191.26
1964	1,050	0	328	1,378	8.44	142.06	3.70	62.35	12.14	204.41
1965	1,088	0	373	1,461	8.31	144.65	3.74	65.17	12.05	209.82
1966	1,264	0	417	1,681	7.31	166.10	3.59	74.90	10.90	241.00

[1] Excludes Corporation Net Income Taxes.

Sources: Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col. (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Jefferson

STATE Washington

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$ 1,317,776	$ 549,308	$ 647,838	$ 2,514,922	$ 266
1958	1,198,709	531,748	635,950	2,266,407	280
1959	1,495,127	436,734	828,137	2,759,998	329
1960	1,324,975	470,533	853,876	2,649,384	279
1961	1,458,503	577,745	818,977	2,855,225	307
1962	1,543,843	521,519	769,518	2,834,880	312
1963	2,077,577	441,764	1,176,736	3,696,077	373
1964	1,663,507	645,718	2,603,136	4,912,361	506
1965	2,078,733	562,016	1,055,355	3,696,104	362
1966	2,379,163	591,897	1,037,532	4,008,592	401
% incr./decr.'66 vs. first year	80.5	7.8	60.2	59.4	50.8
% incr./decr.'66 vs. first year per capita	46.0	(13.2)	30.0	50.8	

Source: Jefferson County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

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County Jefferson

State Washington

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial, Industrial 2/	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal	(7) Other 2/	(8) Total Assessed Value
1957 Assessed Value	$2,054,016	$	$ 87,264	$2,909,106	$ 2,918,623	$ 3,575,418	$	$11,544,427
Aver. Tax Rate 37.1 mills								
Item % of Total	17.8		0.7	25.2	25.3	31.0		100.0
1958 Assessed Value	2,131,386		75,255	2,926,770	3,047,724	3,410,730		11,591,865
Aver. Tax Rate 41.1 mills								
1959 Assessed Value	2,226,216		74,777	3,099,204	3,023,823	4,655,519		13,079,539
Aver. Tax Rate 36.6 mills								
1960 Assessed Value	2,293,775		73,217	3,213,700	3,021,184	3,568,949		12,170,825
Aver. Tax Rate 40.9 mills								
1961 Assessed Value	2,371,020		68,414	3,498,999	2,999,015	3,894,941		12,832,389
Aver. Tax Rate 42.1 mills								
1962 Assessed Value	2,445,950		67,474	3,645,035	3,020,220	3,886,845		13,065,524
Aver. Tax Rate 41.2 mills								
1963 Assessed Value	2,525,445		71,360	3,842,635	2,983,437	4,257,721		13,680,578
Aver. Tax Rate 40.8 mills								
1964 Assessed Value	2,658,390		88,889	4,267,537	2,944,765	4,616,867		14,576,448
Aver. Tax Rate 41.5 mills								
1965 Assessed Value	2,954,505		84,814	4,877,758	2,980,712	4,790,643		15,688,432
Aver. Tax Rate 42.0 mills								
1966 Assessed Value 1/	3,928,300		85,364	6,544,907	3,716,846	5,835,657		20,111,074
Aver. Tax Rate 37.3 mills								
Item % of Total	19.5		0.4	32.6	18.5	29.0		100.0
Increase/Decrease '66 vs. '57	93.1		(2.2)	124.9	27.4	63.2		74.2

1/ Assessed value represents 23.6 percent of actual market value in 1966.
2/ Included in other items.
Source: State and/or Local Government Financial Reports, estimates and allocations by EDSNC.

C44-11

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-6
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION ----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = WASHINGTON COUNTY = JEFFERSON										
NATIONAL FORESTS										
FEDERAL PAYMENTS (a)	533516	460611	579521	733561	466833	392706	399611	483065	582273	459891
PERCENT BASE YEAR	100.0	86.3	108.6	137.5	87.5	73.6	74.9	90.5	109.2	86.2
PROGRAM ACREAGE *	155466	155466	155466	155466	155466	155466	155466	155466	155466	155466
REVENUE $ PER ACRE	3.43	2.96	3.72	4.71	3.00	2.52	2.57	3.10	3.74	2.95
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS (a)	533516	460611	579521	733561	466833	392706	399611	483065	582273	459891
PERCENT BASE YEAR	100.0	86.3	108.6	137.5	87.5	73.6	74.9	90.5	109.2	86.2
PROGRAM ACREAGE	155466	155466	155466	155466	155466	155466	155466	155466	155466	155466
REVENUE $ PER ACRE	3.43	2.96	3.72	4.71	3.00	2.52	2.57	3.10	3.74	2.95

This county does not have any Nonsection 10 land programs.

* Does not include Olympic National Park acreage of 528,716.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $1.068 is shown as $1.06. Revenues per acre for all programs combined are affected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID, BPR SLIDING SCALE PROGRAM, IN COUNTY

COUNTY Jefferson

STATE Washington

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ 22,096	$ 1,449
1958	22,600	1,482
1959	34,496	2,263
1960	370,416	24,298
1961	26,108	1,712
1962	0	0
1963	136,387	8,946
1964	814,722	53,442
1965	126,436	8,294
1966	42,292	2,774

Source: U.S. Bureau of Public Roads, allocation by EBSMC.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Jefferson

STATE: Washington

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Land	$ 125
	Roads	4,690
	Rights-of-way	83
	Total	$ 4,898

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County Jefferson

State Washington

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 110,610	$ 133,640	$ 244,250
1958	303,440	150,060	453,500
1959	128,860	156,390	285,250
1960	183,950	122,040	305,990
1961	169,400	195,100	364,500
1962	273,560	127,940	401,500
1963	254,590	152,160	406,750
1964	352,430	227,820	580,250
1965	299,290	207,710	507,000
1966	361,760	274,740	636,500
Average Year	243,759	174,760	418,549
Item % of Total, Average Year	58.2	41.8	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

(44-5

Federal Agency US Forest Service

Program Olympic National Forest

County Jefferson

State Washington

TABLE NO. C-7a

Page 1 of 1

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 25,500	$ 0	$ 0	$ 91,000	$ 35,250	$ 250	$ 4,500	$ 250	$ 87,500	$ 244,250
1958	27,750	0	0	271,250	52,250	250	8,500	500	93,000	453,500
1959	28,750	0	250	117,000	45,000	0	9,250	500	84,500	285,250
1960	23,000	0	250	116,750	37,500	500	8,500	500	119,000	306,000
1961	27,250	0	0	143,500	58,000	1,250	10,750	1,000	122,750	364,500
1962	86,250	0	13,250	143,500	42,250	1,000	13,250	1,000	101,000	401,500
1963	28,500	0	15,250	159,750	43,500	1,250	13,000	1,250	144,250	406,750
1964	24,000	0	3,000	264,250	60,500	0	15,500	2,500	210,500	580,250
1965	23,750	0	1,250	213,750	71,000	0	8,000	3,250	186,000	507,000
1966	27,750	0	2,250	345,750	79,750	500	13,750	4,000	162,750	636,500

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Jefferson

STATE Washington

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Timberland	$		$		$	
School District 20	7.00	49,700	347,900	33.9	11,794	24¢
46	4.00	58,886	235,544	33.9	7,985	14
46 F-2	2.00	2,720	5,440	33.9	184	7
48	3.00	42,000	126,000	33.9	4,271	10
48 F-2	2.00	1,280	2,560	33.9	87	7
50	2.00	560	1,120	33.9	38	7
402 H-1	7.00	320	2,240	33.9	76	24
Parklands	2.00	528,218	1,056,436	33.9	35,813	7
Totals	$ 2.60	683,684	$ 1,777,240	33.9	$ 60,248	9¢

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

C4-17

Federal Agency **US Forest Service**

Revenue Sharing Program Olympic National Forest (25%)[a/]

County **Jefferson**

State **Washington**

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 x a/)
1957	$ 2,146,378	$ 16,310	$ 2,130,068	$ 532,517	$ 4,078
1958	1,842,444	19,560	1,842,444	460,611	4,890
1959	2,341,974	27,890	2,314,084	578,521	6,973
1960	2,963,004	32,680	2,930,324	732,581	8,170
1961	1,896,576	33,240	1,863,336	465,834	8,310
1962	1,607,816	40,680	1,567,136	391,784	10,170
1963	1,668,468	72,420	1,596,048	399,012	18,105
1964	2,005,690	78,310	1,927,380	481,845	19,578
1965	2,395,516	70,420	2,325,096	581,274	17,605
1966	1,908,498	71,330	1,837,168	459,292	17,833

Source: **Federal Agencies' Field Offices.**

C44-18

County **Jefferson**

State **Washington**

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACIED AREAS

		P.L. 815		P.L. 874	
Years	Total School Budget	Aid Provided	% of Total Budget	Aid Provided	% of Total Budget
1957	$ 0	$ 0	0	$ 0	0
1958	1,198,709	0	0	1,327	.1
1959	1,495,127	0	0	28,895	1.9
1960	1,324,975	0	0	10,230	.8
1961	1,458,503	0	0	34,590	2.4
1962	1,543,843	0	0	35,198	2.3
1963	2,077,577	0	0	42,661	2.1
1964	1,663,507	0	0	26,528	1.6
1965	2,078,733	0	0	47,242	2.3
1966	2,379,163	0	0	37,802	1.6

Sources: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

C44-19

CASE COUNTY DIGEST
OKANOGAN, WASHINGTON

I. The County

a. General Description: Okanogan is a large county located in the north-central part of the state, bordering on Canada. The county seat is Okanogan. The county contains 13 municipalities, 13 school districts and 26 special districts, including the following: hospital (2), civil defense (1), fire protection (9), cemetary (3), and irrigation (11). The municipal government in all but three of the smaller towns performs a full scope of local government services which include financial control, assessment and tax collection. County government overlaps these and other governmental activities and supplements the activities of the smaller towns, the schools and the special districts. The county also provides central services in the fields of health, welfare, agriculture and other resource development services. The special districts, except the one engaged exclusively in civil defense, perform resource development functions including irrigation, fire protection and comprehensive water and sewage services for the entire county.

b. Vital Statistics: Following are the vital statistics for the entire county.

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	25,520	1966	2	25,700	0.7
Urban 1/	1960	1	4,058	1966	2	4,100	1.0
Rural	1960	1	21,462	1966	2	21,600	0.6
Employment	1959	3	3,209	1966	3	3,552	10.7
Effective Buying Income ($000)	1960	2	41,539	1966	2	53,050	27.7
Per Capital EBI ($)	1960	2	1,642	1966	2	2,064	25.7
Public School Enrollment (K-12)	1960	1	6,822	1965	4	6,500	-4.7

1/ Includes areas of 2,500 people or more.

Source:
1. U.S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U.S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U.S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

The above figures show virtually no change in county population during the 1960-1966 period. However, employment, total effective buying income and per capita EBI rose at varying rates during that period. As is typical in counties in which the population did not increase, public school enrollment (K-12) declined.

c. The Land: The total land area is 3.39 million acres. Over 1.57 million acres are in Federal ownership and are subject to RS programs. They are composed of:

Forest Service (FS) Okanogan National Forest	1,520,448 acres
Bureau of Land Management (BLM) Outside Grazing Districts, TG-15	57,185 acres
Total	1,577,633 acres

II. County Finance:

a. Revenue: Table No. C-1 contains detailed revenue data for the period 1957-1966. During this period total receipts increased by $2.5 million or 46%. Over $2 million of the increase between 1957 and 1966 was from non-property taxes and other revenues. Collection from property taxes increased by $470,000 or 39%. Table No. C-1a identifies the increased reliance upon state taxation. Collection of state taxes in the county increased by an estimated 104% ($5.3 million in 1966 as compared with $2.6 million in 1957).

The increased state tax collections represent an increase in their share of total EBI from 6% to 10% or an increase of 61% while on a percapita basis that increase equals 132%. This might be contrasted with the rates of increase in local property taxes which increased by an estimated 110% of total EBI and 116% on a per capita basis. These data are contained in Table No. C-1a.

The county's bonded indebtedness increased moderately during the period 1956-1966. The increase in the total outstanding debt was approximately $1.3 million and the details for bonded indebtedness as of 1966 are contained in the summary at the end of the case study report.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the period 1957-1966. Expenditures increased only about one-half the rate of the increase in total receipts. This, however, is due to the relatively large expenditures in 1957 as compared, for example, with the expenditures in 1960. Per capita total expenditures increased from a low of $197 to the 1966 high of $299.

The entire increase in county expenditures was for education and highways, at rates of 38% and 99% respectively, while expenditures for other categories declined $200,000 during the 10-year period.

c. Property Tax: Table No. C-3 contains detailed data for the assessed value of real property subject to tax for the period 1957-1966. It shows an increase roughly commensurate with that in property tax collection, indicating a stable tax rate for the 10-year period. The increase in total assessed value of approximately $10 million was divided between residential and rural properties and, to a lesser extent, personal properties. Total utility assessment declined and its share of the total reduced from 5% in 1957 to 2% in 1966. The assessed value of mineral, timber and other natural resources remained substantially unchanged and accounted for only 2% of the total.

Included in the tax base are the assessed values of leasehold improvements upon the national forest lands in the county. Only summer homes are subject to assessment and taxation by the county while all other possessory interests on the Federal lands are not being taxed. As of 1966 the assessed value of summer homes on FS lands totaled $24,780 which yielded an estimated $1,165 in tax revenues. A summary of leasehold interests is appended to the end of the case study report.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs: Data pertaining to applicable acreage and RS payments, to the extent available, are contained in Table No. C-4. Revenue sharing from timber sales in the national forests fluctuated widely. In 1961 a low of $43,000 was reported while in 1966 a new high of $214,000 was realized. RS payments from grazing leases under TG-15 were of small magnitude in each of the years for which data were available.

b. Indirect Benefits: The state elected to allocate some of its BPR sliding scale aid to Okanogan County. The relevant figure are contained in Table No. C-5. The aid attributable to the presence of public lands varied very widely. The 1966 figures of $21,672 was somewhat below the average of the annual payment for the 10-year period.

c. Value of Free Goods and Services: The only reported free goods extended to the county by the Federal land agencies were a small quantity of construction materials. Table No. C-6 contains an estimated annual value of $275 for the free use of a borrow pit.

d. Federal Facilities and Services having Joing Use: The county benefited from the free use of certain tracts of land. An estimate of the annual value, based on construction and operating costs and their percentage utilization by the county is as follows:

Agency	Type of Service	Value
Forest Service	Access Road	$ 5,347
	Radio Sites	495
	Rights-of-Way	227
		$ 6,069

e. Resource Expenditures - Management: Table No. C-7 contains a summary of resource program expenditures by the Forest Service for the 10-year study period. These expenditures consistently increased, except in 1965. In 1966 they reached a high of $2.1 million as compared to the annual average for the 10-year period of $1.2 million. Resource expenditures by BLM were not determinable except for 1966 when they totaled $32,049 and were purely non-capital expenditures. Table No. C-7a1 contains the Forest Service expenditures for the 10-year period by expenditure category.

The two Federal agencies reported performance of a full range of land management functions while both indicated that their programs in Okanogan County were not specifically geared towards a maximization of the economic activity upon the lands managed by them.

IV. Burdens to Local Government

a. Direct Burdens: County officials did not identify any direct financial burden attributable to the presence of Federal lands. The county's population is settled in the Okanogan Valley in the center of the county, and most of the Federal land areas are unsettled, have only very limited access, and reportedly no county services are provided for these Federal lands.

b. Indirect Burden: The immunity of the identified Federal lands to taxation causes the loss of tax revenues which are potentially greater than the payments from current RS programs. An estimate of the assessable value of these Federal lands and their potential tax revenue is contained in Table No. C-8. It shows a total potential tax revenue of about $214,000, equal to an average of 14¢/acre.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: Table No. C-9 contains data on K-V Fund collections for the 10-year study period. While until 1965 these collections appear to reflect a relationship to gross receipts, in 1966 the collection for the K-V Fund was substantially increased and the resulting "loss" in the revenue shared amounted to about 20% of net. The comparable figures for 1965 were about 16% and in 1964 about 12%.

d. Public Laws 815 and 874: The county obtained aid under PL 874 in each of the years of the study period and in PL 815 in six of these years. The pertinent figures are contained in Table No. C-10.

V. Impact of Present System

a. County Finance: The impact of the present system upon county finance is similar to that which might accrue if the lands were in private ownership. Total identified benefits for 1966 are summarized as follows:

Revenue Sharing (C-4)	$215,516
Sliding Scale Payments (C-5)	21,672
Free Goods and Services (C-6)	275
Joint Use Facilities (III.d.)	6,069
Total Benefits	$243,532 = 15¢/acre

These figures reflect an average payment per acre of applicable land which is slightly favorable to that shown in Table No. C-8, the estimate of potential tax revenue if the lands were in private ownership.

b. The Overview: Despite the estimates cited above, county officials expressed the view that the present RS programs do not treat Okanogan County equitably. They single out the reduction in the RS payment from the Okanogan National Forest as a result of the K-V Fund collections. As identified, the 1966 collection represented a very substantial increase over previous years and has resulted in a substantial reduction in the RS payment to the county which might otherwise have been available. The 1966 payment was almost $70,000 more than the 1965 payment, and therefore, resulted in a substantial incremental net benefit to the county.

These same officials also indicated a desire to have some of the RS payments available for distribution to the county general fund as opposed to the presently applicable earmarking. The expenditures for education and highways shown in Table No. C-2 indicate that the earmarking provisions do not affect the county's effective utilization of the RS payments.

The county's economy is based on agriculture, timber and livestock being two of the major sources of income. Thus, the management programs of the two Federal agencies directly affect the county's economic condition. In both areas, timber sales and grazing rights, county officials and industry members stressed that the Federal land management programs, while they are technically most satisfactory, are not compatible with the need to maximize the short and long-term economic output of these lands. They specifically complained that additional grazing leases, for which applications had been made, should be granted inasmuch as the reduction in allocable A.U.M's enforced by the BLM has been an unnecessary hinderance to those presently leasing grazing lands.

OKANOGAN, WASHINGTON

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Seasonal Residence	$ 24,780	$ 1,165
BLM	Grazing Leases	0	0
	Total	$ 24,780	$ 1,165

Source: Federal Agencies' Field Offices and Okanogan County Audit Reports.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Schools	$ 2,831,567	$ 1,742,900
Hospital	824,000	673,000
Courthouse	53,000	18,000
Irrigation	138,000	89,550
Canals	111,500	72,500
Fire Protection	38,200	9,200
Water & Sewage	2,387,000	1,561,000
Other	338,000	134,000
Total	$ 6,721,267	$ 4,300,150

Source: Okanogan County Audit Reports.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Okanogan

STATE Washington

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 881,504	$ 333,023	$ 1,214,527	$ 4,267,785	$ 5,482,312
1958	850,274	355,446	1,205,720	4,027,058	5,232,778
1959	922,251	383,128	1,305,379	3,697,436	5,002,815
1960	955,041	338,001	1,293,042	3,818,054	5,111.096
1961	1,058,971	295,384	1,354,355	4,388,598	5,742,953
1962	1,101,107	380,867	1,481,974	4,424,334	5,906,308
1963	1,147,864	374,905	1,522,769	4,608,956	6,131,725
1964	1,210,136	386,349	1,596,485	5,502,280	7,098 765
1965	1,236,151	403,088	1,639,239	5,014,616	6,653,855
1966	1,282,463	399,455	1,681,918	6,320,696	8,002,614
% incr./decr. '66 vs. 1st yr.	45.5	19.9	38.5	48.1	46.0

Source: Okanogan County Audit Reports.

C45-8

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME
1957 - 1966

COUNTY Okanogan

STATE Washington

C45-9

YEAR	State Taxes ($000) Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	Total State Taxes % of EBI (5)	Total State Taxes Per Capita($) (6)	Local Property Taxes % of EBI (7)	Local Property Taxes Per Capita($) (8)	Total of State & Local Property Taxes % of EBI (9)	Total of State & Local Property Taxes Per Capita($) (10)
1957	1,955	0	635	2,590	6.15	88.70	2.88	41.59	9.03	130.29
1958	2,141	0	704	2,845	6.50	97.43	2.75	41.29	9.25	138.72
1959	2,610	0	776	3,386	7.08	112.12	2.73	43.22	9.81	155.34
1960	2,783	0	721	3,504	8.44	138.50	3.11	51.11	11.55	189.61
1961	2,759	0	714	3,473	9.79	139.48	3.82	54.39	13.61	193.87
1962	2,835	0	734	3,569	9.93	145.67	4.12	60.49	14.05	206.16
1963	3,040	0	818	3,858	10.20	153.10	4.03	60.43	14.23	213.53
1964	3,477	0	877	4,354	10.72	168.11	3.93	61.64	14.65	229.75
1965	3,519	0	934	4,453	10.71	176.01	3.94	64.79	14.65	240.80
1966	4,205	0	1,073	5,278	9.95	205.37	3.17	65.44	13.12	270.81

1/ Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Okanogan

STATE Washington

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$ 2,835,434	$ 590,355	$ 2,794,429	$ 6,220,218	$ 213
1958	3,375,971	660,709	1,395,650	5,432,330	186
1959	2,874,358	728,157	1,589,422	5,191,937	172
1960	2,933,550	691,501	1,373,933	4,998,984	197
1961	3,314,401	797,619	1,387,716	5,499,736	221
1962	3,510,702	694,505	1,563,468	5,768,675	235
1963	3,584,959	929,748	1,758,407	6,273,114	249
1964	3,824,899	965,521	1,744,330	6,534,750	252
1965	3,784,269	1,063,371	2,320,762	7,168,402	283
1966	3,904,350	1,177,365	2,595,551	7,677,266	299
% incr./decr.'66 vs. first year	37.7	99.4	(7.1)	23.4	40.4
% incr./decr.'66 vs. first year per capita	56.7	130.0	5.2	40.4	

Source: Okanogan County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

C45-10

C45-11

County Okanogan

State Washington

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial Industrial[2]	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal	(7) Other[2]	(8) Total Assessed Value
1957 Assessed Value	$ 7,252,160	$	$1,214,977	$10,248,530	$ 71,240	$ 7,085,596	$	$25,872,503
Aver. Tax Rate 47.0 mills								
Item % of Total	28.0		4.7	39.6	0.3	27.4		100.0
1958 Assessed Value	7,477,080		1,109,079	11,082,780	75,600	8,247,007		27,991,546
Aver. Tax Rate 43.1 mills								
1959 Assessed Value	8,240,780		1,054,921	11,248,010	74,820	8,551,964		29,170,495
Aver. Tax Rate 44.8 mills								
1960 Assessed Value	8,485,500		1,008,783	11,728,790	70,500	7,527,862		28,821,435
Aver. Tax Rate 44.9 mills								
1961 Assessed Value	9,089,170		924,223	12,859,920	88,160	6,393,593		29,355,066
Aver. Tax Rate 46.2 mills								
1962 Assessed Value	9,945,710		927,545	13,257,250	88,160	8,370,703		32,589,368
Aver. Tax Rate 45.5 mills								
1963 Assessed Value	9,597,570		909,376	14,673,730	79,960	8,239,670		33,500,306
Aver. Tax Rate 45.5 mills								
1964 Assessed Value	11,376,360		886,959	13,799,205	0	8,308,581		34,371,105
Aver. Tax Rate 46.5 mills								
1965 Assessed Value	11,635,120		744,453	13,896,155	71,515	8,576,340		34,923,583
Aver. Tax Rate 47.0 mills								
1966 Assessed Value[1]	12,206,880		781,126	14,222,965	72,670	8,480,998		35,764,639
Aver. Tax Rate 47.1 mills								
Item % of Total	34.1		2.2	39.8	0.2	23.7		100.0
Increase/Decrease '66 vs. '57	68.3		(35.7)	38.8	2.0	19.7		38.2

[1] Assessed value represents 22.9 percent of actual market value in 1966.

[2] Included in other items.

Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = WASHINGTON										
COUNTY = OKANOGAN										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	172291	58896	64794	143798	41784	87222	124107	137490	142986	213957
PERCENT BASE YEAR	100.0	34.2	37.6	83.5	24.3	50.6	72.0	79.8	83.0	124.2
PROGRAM ACREAGE	1520339	1520340	1520340	1520340	1520340	1520340	1520340	1520340	1520365	1520448
REVENUE $ PER ACRE	0.11	0.04	0.04	0.09	0.03	0.06	0.08	0.09	0.09	0.14
TAYLOR GRAZE SECT 15 *										
FEDERAL PAYMENTS ($)	NA	NA	NA	1466	1376	809	1121	1478	1272	1559
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	93.9	55.2	76.5	100.8	86.8	106.3
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	172291	58896	64794	145264	43160	88031	125228	138968	144258	215516
PERCENT BASE YEAR	100.0	34.2	37.6	84.3	25.1	51.1	72.7	80.7	83.7	125.1
PROGRAM ACREAGE	1520339	1520340	1520340	1520340	1520340	1520340	1520340	1520340	1520365	1520448
REVENUE $ PER ACRE	0.11	0.04	0.04	0.10	0.03	0.06	0.08	0.09	0.09	0.14

NA = data not available. This county does not have any Nonsection 10 land programs.

*Total land available under program in 1966 was 57,185 acres.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

C45-12

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID, BPR SLIDING SCALE PROGRAM, IN COUNTY

COUNTY Okanogan

STATE Washington

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ 580,866	$ 38,102
1958	430,069	42,645
1959	133,606	8,764
1960	257,109	157,961
1961	1,028,827	298,992
1962	262,257	17,204
1963	462,005	30,307
1964	358,931	23,545
1965	627,319	41,152
1966	330,372	21,672

Source: U.S. Bureau of Public Roads, allocation by EBSMC.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Okanogan

STATE: Washington

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Borrow Pit	$ 275
BLM	None	0
	Total	$ 275

Source: Federal Agencies' Field Offices, EBSMC Estimates.

C45-14

TABLE NO. C-7

County Okanogan

State Washington

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES[1/]

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 363,380	$ 168,620	$ 532,000
1958	397,100	303,900	701,000
1959	534,420	189,580	774,000
1960	514,600	271,400	786,000
1961	652,560	338,440	991,000
1962	877,580	418,420	1,296,000
1963	1,075,230	508,770	1,584,000
1964	1,195,390	598,610	1,794,000
1965	817,750	628,250	1,446,000
1966	1,203,910	902,090	2,106,000
Average Year	768,192	432,808	1,201,000
Item % of Total, Average Year	64.0	36.0	100.0

1/ Forest Service only. Figures for BLM not available, 1957-1965. Expenditures for 1966 totaled $32,049 and were wholly administrative.

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Okanogan National Forest

County Okanogan

State Washington

TABLE NO. C-7a

Page 1 of 2

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 124,000	$ 14,000	$ 5,000	$ 166,000	$ 27,000	$ 0	$ 4,000	$ 4,000	$ 188,000	$ 532,000
1958	124,000	23,000	0	276,000	32,000	1,000	25,000	2,000	218,000	701,000
1959	226,000	30,000	3,000	217,000	47,000	1,000	22,000	2,000	226,000	774,000
1960	138,000	26,000	1,000	304,000	56,000	1,000	26,000	2,000	232,000	786,000
1961	277,000	26,000	2,000	337,000	81,000	2,000	34,000	2,000	230,000	991,000
1962	379,000	39,000	10,000	460,000	74,000	6,000	52,000	5,000	271,000	1,296,000
1963	416,000	32,000	11,000	561,000	124,000	5,000	58,000	2,000	375,000	1,584,000
1964	305,000	43,000	10,000	890,000	130,000	12,000	76,000	5,000	323,000	1,794,000
1965	264,000	33,000	5,000	640,000	111,000	11,000	56,000	5,000	321,000	1,446,000
1966	402,000	62,000	6,000	858,000	139,000	35,000	77,000	10,000	517,000	2,106,000

Source: Federal Agencies' Field Offices.

C45-16

Federal Agency Interior - BLM

Program Taylor Grazing Act - Section 15

County Okanogan

State Washington

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resourc Expenditu
1957	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA
1958	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1959	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1960	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1961	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1962	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1963	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1964	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1965	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1966	4,400	514	0	0	0	0	0	0	27,135	32,04

C45-17

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Okanogan

STATE Washington

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 x 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 x 5) (6)	Estimated Tax Per Acre (Col. 2 x 5) (7)
Forest Service						
Forest (Commercial)	$ 3.00	828,565	$ 2,485,695	41.0	$ 101,913	12 c
Forest (Non-commercial)	2.00	273,335	546,670	41.0	22,413	8
Grazing (Meadow)	5.00	37,374	186,870	41.0	7,662	21
Grazing (Range)	2.00	132,659	265,318	41.0	10,878	8
Unpatented Lands	2.00	240,897	481,794	41.0	19,754	8
Recreation (Developed)	300.00	3,543	1,062,900	41.0	43,579	1230
Recreation (Undeveloped)	11.00	4,075	44,825	41.0	1,838	45
BLM						
Forest Land	3.00	23,450	70,350	41.0	2,884	12
Woodland	2.00	18,500	37,000	41.0	1,517	8
Range Land	2.00	15,235	30,470	41.0	1,249	8
Totals	$ 3.30	1,577,633	$ 5,211,892	41.0	$ 213,687	14 c

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

C45-16

Federal Agency US Forest Service
Revenue Sharing Program Okanogan National Forest (25%)a/
County Okanogan
State Washington

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

C45-14

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share L (Col. 2 × a/
1957	$ 720,717	$ 31,553	$ 689,164	$ 172,291	$ 7,888
1958	267,650	32,066	235,584	58,896	8,016
1959	310,556	51,380	259,176	64,794	12,845
1960	641,250	66,058	575,192	143,798	16,514
1961	232,249	65,113	167,136	41,784	16,278
1962	416,800	67,912	348,888	87,222	16,978
1963	582,585	86,157	496,428	124,107	21,539
1964	613,971	64,011	549,960	137,490	16,003
1965	661,510	89,566	571,944	142,986	22,392
1966	1,023,118	167,290	855,828	213,957	41,822

Source Federal Agencies' Field Offices.

County Okanogan

State Washington

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

		P.L. 815		P.L. 874	
Years	Total School Budget	Aid Provided	% of Total Budget	Aid Provided	% of Total Budget
1957	$ 2,835,434	$ 213,051	7.5	$ 60,053	2.1
1958	3,375,971	213,651	6.3	78,919	2.3
1959	2,874,358	213,651	7.4	104,841	3.6
1960	2,933,550	213,651	7.3	120,818	4.1
1961	3,314,401	235,453	7.1	100,879	3.0
1962	3,510,762	0	0	117,204	3.3
1963	3,584,959	28,518	.8	112,637	3.1
1964	3,824,899	0	0	139,048	3.6
1965	3,784,269	0	0	146,167	3.9
1966	3,904,350	0	0	141,191	3.6

Sources: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

CASE COUNTY DIGEST
SKAMANIA, WASHINGTON

I. The County

a. General Description: Skamania is a large county located in the southwestern part of the state bordering Oregon. The county seat is Stevenson; there are two municipalities, six school districts and six special districts in the county. The two municipalities provide a full range of public services (despite their small populations) which include financial control, municipal court, law enforcement, public safety, fire protection and city planning. The county government provides all fiscal services including assessment and tax collection, health and welfare services, county-wide planning, sanitation and utility operations in the western part of the county. The special districts are engaged in electric and water supply service, one in a hospital district which provides ambulance services to Skamania and adjacent counties, two are fire protection districts, and one deals with the affairs of a port. As in all other counties in the state, assessment of public utilities is provided by the State Tax Commission.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	5,702	1966	2	5,700	0
Urban 1/	1960	1	0	1966	2	0	0
Rural	1960	1	5,702	1966	2	5,700	0
Employment	1959	3	801	1966	3	758	-5.4
Effective Buying Income ($000)	1960	2	8,696	1966	2	13,934	60.2
Per Capita EBI ($)	1960	2	1,672	1966	2	2,445	46.2
Public School Enrollment (K-12)	1960	1	1,317	1965	4	1,200	-8.9

1/ Includes areas of 2,500 people or more.

Sources:
1. U.S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U.S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U.S. Department of Health, Education and Welfare, Office of Education, Education Directory, Part 2, 1967.

These figures show that during the period 1960-1966 there was no population growth in Skamania County and a reduction in employment had taken place. Contrarily, the population's total effective buying income increased substantially and per capita EBI reached a level in 1966 which is above the average for rural counties. Public school enrollment (K-12) declined substantially as a result ofthe lack of population growth and aging of the existing population.

c. The Land: The county land area comprises 1.1 million acres. About 80% or 808,000 acres are that part of Gifford Pinchot National Forest located in Skamania County. In addition to this Federal land, Bureau of Land Management (BLM) manages about 600 acres. The Bureau of Commercial Fisheries, the Bonneville Power Administration and the Corps of Engineers (C of E) manage small tracts of land in various locations within the county. Except for the national forest lands, the Federal acreages are not subject to PILT or RS programs and no payments were reported for them.

II. County Finance

a. Revenues: Table No. C-1 contains detailed revenue data for the years 1957-1966. During this period total receipts increased by almost $2. million, an increase of about 100% between 1957 and 1966. The largest share of this increase, over $1.4 million, is from taxes and revenues other than property taxes. Included in this category are payments from the National Forest Fund which, during this 10-year period, increased by over $700,000 and accounted for about half of the increased revenue in this category. The increase in revenues from property taxes, though amounting to only $520,000, represents a change of 166%.

The county's bonded indebtedness during the period 1956-1966 increased from $611,000 to $1.1 million. The entire increase relates to bonds for water and electric utility facilities while the outstanding indebtedness on bonds for school construction and other purposes has actually declined. The summary at the end of the case study digest contains details reflecting the 1966 bonded indebtedness for the entire county.

Table No. C-1a reflects the sharp increase in local property taxes per capita, an increase from $58 in 1957 to $146 in 1966. State taxes and local property taxes per capita increased by 97% during the 10-year period, but, due to the large increase in EBI, these taxes as a percent of EBI increased by only 19%.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the period 1957-1966. The rate of increase in total expenditures is 81%. This increase is attributable in part to the sharp increase in RS payments between 1965 and 1966, more than $350,000.

Despite the decline in public school enrollment (K-12), expenditures for education increased between 1957 and 1966 by over $500,000 while expenditures for highway construction and maintenance rose by about $330,000. During all the years from 1961 to 1965, expenditures for highway construction and maintenance were substantially higher than those shown for 1966. It is understood that the large amounts for highway expenditures during those years reflect an extensive forest access construction program, the benefits of which are evident in the increased revenues from the national forest.

c. Property Tax: Table No. C-3 contains detailed data for the assessed value of property subject to taxes for the period 1957-1966. Total assessed value increased by 127%. This increase is due to a change in the ratio of assessed value to market value, and, to the large increase in the assessed value of public utilities. Likewise, there were substantial increases in the assessed value of residential, mineral, timber and other natural resource properties.

Included in the assessed values are those relating to leasehold improvements of third parties on national forest land. These are leaseholds for recreational and residential purposes which, in 1966, were assessed at about $9,400, yielding taxes of about $360. The summary at the end of the case study digest contains this information.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: The only applicable program in Skamania County is that relating to the Gifford Pinchot National Forest. However, it is of large magnitude and, has provided revenues to the county which represent a significant share of total county revenues, almost 45% in 1966. Table No. C-4 contains acreage and payment figures for the 10-year study period.

b. Indirect Benefits: The state of Washington is eligible to receive highway aid payments and, in seven years of the 10-year period, allocated varying amounts to Skamania County. Only in 1958 was the allocation of substantial magnitude. Table No. C-5 contains the appropriate figures.

c. Value of Free Goods and Services: The Forest Service made available to the county free of charge a small quantity of land for use as parks and other public purposes. Table No. C-6 contains an estimate of the annual value of the free use of these parcels of land. It shows a total of $236.

d. Federal Facilities and Services Having Joint Use: The Forest Service did not report the joint use by the county of any of its facilities.

e. Resource Expenditures - Management: The Forest Service made large resource program expenditures during each of the years of the 10-year study period. They reached a high in 1966 of over $2.8 million, and averaged more than $1.9 million in each year during the 10-year period. An average of 42% of the total resource program expenditures was applicable to capital items. Table No. C-7 contains a summary for the 10-year expenditures and Table No. C-7a1 contains the detailed expenditures by expenditure category for that period.

The Forest Service management activities in this county have covered every aspect of forest management including the development of wildlife habitat and recreational facilities. It has also provided assistance of a technical nature in wood utilization and marketing.

IV. Burdens to Local Government

a. Direct Burdens: As indicated earlier, the county has made substantial expenditures for highways. These expenditures are partly on national forest lands and are used jointly by the county and the Federal agency. In addition, the sheriff's department incurs large annual expenditures for policing and law enforcement on the Federal lands. Based on typical annual budgets, it was estimated that the direct financial burden to the county is as follows:

Construction and Maintenance of Roads	$ 79,000
Law Enforcement	35,000
Total	$114,000

Part of the relatively large burden relating to highway expenditures is due to the noncontiguous land ownership of a portion of the national forest lands. To provide access to privately owned lands which are intermingled with FS lands, it was necessary to construct circuitous routings with attendant incremental expenses.

b. Indirect Burden: The immunity of the forest lands to taxation by local government represents a loss of tax revenues which is substantially lower than the current revenues derived from these lands through the RS program. Table No. C-8 contains an estimate of the assessable value of the forest lands and the potential tax revenues which might be obtained if the lands were in private ownership. It shows a total potential tax revenue of $102,400, an average of 13¢/acre.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: In each year of the 10-year study period substantial collections were made for the K-V Fund. Table No. C-9 contains the appropriate figures for the 10-year period. Due to the large amount of gross receipts and the relatively small proportion of gross receipts directed to K-V Fund collections, "losses" in shared revenue were small compared to actual receipts. In absolute terms, however, the "loss" was not insignificant, amounting to more than $100,000 in 1966. In 1957 K-V collections were less than one percent of gross receipts. In more recent years they increased--6% in 1965, and 5% in 1966. The revenue share "lost" in these two years as a percent of the revenue shared was 7% and 6% respectively.

d. Public Laws 815 and 874: The county qualified for payments under PL 874 during the last eight years of the 10-year study period. Appropriate figures are contained in Table No. C-10.

V. Impact of Present System

a. County Finance: The present system of RS on the national forest is extremely favorable to Skamania County. Especially in more recent years it has resulted in very large revenues for the county which substantially exceed those which might have been generated from taxation of the forest lands if they were in private ownership. The following figures for 1966 provide a summary of the benefits to the county:

Revenue Sharing (C-4)	$1,685,460
Sliding Scale Payments (C-5)	2,760
Free Goods and Services (C-6)	236
Total Direct Benefits	$1,688,456

From these must be deducted the direct burden resulting from the presence of public land:

Direct Burden (IV.a)	$ 114,000
Resulting Net Direct Benefits	$1,574,456 = $1.94/acre

The $1.94 per acre benefits dwarf the 13¢ per acre which might accrue to the county if the lands were privately owned.

b. The Overview: County officials fully recognize the favorable treatment their county receives under the present RS program. RS payments accruing to Skamania County are the largest of any county within the State of Washington. However, due to the magnitude of these payments and the requirement to employ them for education and highway expenditures exclusively, they do not permit the fiscal flexibility which, according to these officials, the county needs. Moreover, as a result of the application of one-half of the RS payment to school purposes, equalization payments made by the state are substantially reduced.

From an overall economic development point of view, county officials are not entirely satisfied with the Forest Service land management practices. They pointed out that all stumpage sales are for very large quantities of timber and only the largest mills, all of which are located outside Skamania County, are able to participate in the bidding of these tracts. As a result, practically none of the timber cut on national forest lands is processed in the county and the resultant value added is lost to the county. Only a few small mills have survived in the county and county officials suggested that the forest management practices should also be responsive to the timber needs of these mills.

Another problem identified during the course of this study was an apparent lack of communication between Forest Service officials and county government relating specifically to the granting of leases to third parties on Federal lands. While it was the county's policy to tax all leaseholds on Federal lands to the fullest extent permitted by state law, the county assessor was not aware of all existing leases, and therefore, failed to assess and tax a number of them.

There still exists a considerable checkerboard pattern of land ownership comprising primarily the national forest and two large private land ownerships. This situation is reportedly hindering optimum forest management by all parties concerned and efforts are being made through land exchanges to consolidate contiguous land holdings. In addition, these exchanges are expected to result in extensive private land developments on the south shore of Spirit Lake and construction on forest land holdings around Mt. St. Helens.

SKAMANIA, WASHINGTON

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service	Recreational & Residential	$ 9,413	$ 361
	Total	$ 9,413	$ 361

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II.a.)

Purpose	Face Value	Outstanding Balance
Schools	$ 595,500	$ 190,500
Water & Electricity	1,129,000	919,000
Other	69,000	13,000
Total	$1,793,500	$1,122,500

Source: Skamania County Audit Reports.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Skamania

STATE Washington

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 270,174	$ 43,763	$ 313,937	$ 1,652,615	$ 1,966,552
1958	352,337	65,470	417,807	1,946,706	2,364,513
1959	551,359	35,256	586,615	2,386,704	2,973,319
1960	692,217	48,597	740,814	2,717,092	3,457,906
1961	838,950	50,333	889,283	2,264,129	3,153,412
1962	838,487	40,338	878,825	2,391,800	3,270,625
1963	946,731	57,226	1,003,957	2,456,883	3,460,840
1964	918,215	64,569	982,784	2,634,515	3,617,299
1965	808,867	57,250	866,117	2,597,641	3,463,758
1966	779,104	54,608	833,712	3,100,175	3,933,887
% incr./decr. '66 vs. 1st yr.	188.4	24.8	165.6	87.6	100.0

Source: Skamania County Audit Reports.

C46-8

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY Skamania

STATE Washington

YEAR	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
	Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	248	0	117	365	4.58	67.59	3.94	58.14	8.52	125.73
1958	282	0	130	412	5.01	76.30	5.08	77.37	10.09	153.67
1959	204	0	136	340	4.02	64.15	6.94	110.68	10.96	174.83
1960	224	0	148	372	4.28	71.54	8.52	142.46	12.80	214.00
1961	224	0	152	376	4.13	70.94	9.78	167.79	13.91	238.73
1962	250	0	159	409	4.35	77.17	9.36	165.82	13.71	242.99
1963	235	0	172	407	4.23	76.79	10.44	189.43	14.67	266.22
1964	322	0	179	501	4.98	94.53	9.77	185.43	14.75	279.96
1965	294	0	207	501	4.47	89.46	7.72	154.66	12.19	244.12
1966	342	0	238	580	4.16	101.75	5.98	146.27	10.14	248.02

1/ Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Skamania

STATE Washington

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$ 868,335	$ 424,925	$ 527,030	$ 1,820,290	$ 337
1958	772,309	680,852	571,764	2,024,925	375
1959	1,080,128	657,523	603,378	2,341,029	442
1960	967,383	729,431	836,588	2,533,402	487
1961	1,899,926	882,978	738,814	3,521,718	664
1962	1,341,944	1,379,191	775,056	3,496,191	660
1963	1,316,817	923,955	1,078,057	3,318,829	626
1964	1,343,202	999,722	868,503	3,211,427	606
1965	1,518,724	1,260,374	909,576	3,688,674	659
1966	1,395,615	759,341	1,140,251	3,295,207	578
% incr./decr.'66 vs. first year	60.7	78.7	116.4	81.0	71.5
% incr./decr.'66 vs. first year per capita	52.2	64.2	104.1	71.5	

Source: Skamania County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

County Skamania

State Washington

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial Industrial 2/	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal	(7) Other 2/	(8) Total Assessed Value
1957 Assessed Value	$ 479,220	$	$ 3,820,408	$1,626,860	$ 1,561,573	$ 830,417	$	$ 8,318,476
Aver Tax Rate 45.2 mills								
Item % of Total	5.8		45.9	19.5	18.8	10.0		100.0
1958 Assessed Value	475,200		6,560,317	1,645,820	1,472,901	937,966		11,092,204
Aver. Tax Rate 43.6 mills								
1959 Assessed Value	559,430		14,660,691	1,603,090	1,458,211	373,079		18,654,501
Aver. Tax Rate 41.9 mills								
1960 Assessed Value	571,210		14,434,839	1,655,675	1,414,119	401,960		18,477,803
Aver. Tax Rate 37.9 mills								
1961 Assessed Value	572,240		15,963,342	1,700,655	1,405,839	349,292		19,991,368
Aver. Tax Rate 44.3 mills								
1962 Assessed Value	602,810		15,103,722	1,880,465	5,779,980	488,354		23,855,331
Aver. Tax Rate 40.7 mills								
1963 Assessed Value	591,160		12,982,505	2,001,860	5,036,800	562,141		21,174,466
Aver. Tax Rate 40.4 mills								
1964 Assessed Value	616,370		11,635,324	1,940,500	3,441,130	526,235		18,159,559
Aver. Tax Rate 43.3 mills								
1965 Assessed Value	629,220		10,911,840	2,001,660	3,231,310	507,535		17,281,565
Aver. Tax Rate 44.2 mills								
1966 Assessed Value 1/	964,860		10,593,410	2,892,360	3,792,620	616,343		18,859,593
Aver. Tax Rate 44.9 mills								
Item % of Total	5.1		56.2	15.3	20.1	3.3		100.0
Increase/Decrease 66 vs. '57	101.3		177.3	77.8	142.9	(25.8)		126.7

1/ Assessed value represents 17.9 percent of actual market value in 1966.

2/ Included in other items.

Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

C46-11

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-6
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE - WASHINGTON COUNTY - SKAMANIA										
NATIONAL FORESTS										
FEDERAL PAYMENTS (A)	971845	810664	1423039	1621002	1147561	1109410	1297366	1334056	1331469	1685460
PERCENT BASE YEAR	100.0	83.4	146.4	166.8	118.1	114.1	133.5	137.3	137.0	173.4
PROGRAM ACREAGE	804469	804469	804469	804469	804469	804469	804469	805122	805122	808195
REVENUE $ PER ACRE	1.21	1.01	1.77	2.02	1.43	1.38	1.61	1.66	1.65	2.09
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS (A)	971845	810664	1423039	1621002	1147561	1109410	1297366	1334056	1331469	1685460
PERCENT BASE YEAR	100.0	83.4	146.4	166.8	118.1	114.1	133.5	137.3	137.0	173.4
PROGRAM ACREAGE	804469	804469	804469	804469	804469	804469	804469	805122	805122	803195
REVENUE $ PER ACRE	1.21	1.01	1.77	2.02	1.43	1.38	1.61	1.66	1.65	2.09

This county does not have any Bennett 10 land programs.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., 10.048 is shown as 10.04. Revenues per acre for all programs combined are affected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID, BPR SLIDING SCALE PROGRAM, TO COUNTY

COUNTY Skamania

STATE Washington

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ 26,800	$ 1,758
1958	596,022	39,099
1959	22,355	1,466
1960	0	0
1961	4,444	291
1962	14,500	951
1963	29,663	1,945
1964	0	0
1965	0	0
1966	42,082	2,760

Source. U.S. Bureau of Public Roads, allocation by EBSMC.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Skamania

STATE: Washington

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Park & Playground	$ 200
	Water Transmission	6
	Storage Yard	6
	Road Use & Rights-of-way	24
	Total	$ 236

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County **Skamania**

State **Washington**

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 441,240	$ 351,080	$ 792,320
1958	760,840	570,380	1,331,220
1959	481,910	736,720	1,218,630
1960	611,560	747,800	1,359,360
1961	800,730	1,842,510	2,643,240
1962	1,473,470	574,850	2,048,320
1963	1,566,690	571,190	2,137,880
1964	1,788,710	901,860	2,690,570
1965	1,504,490	1,125,310	2,629,800
1966	1,890,270	935,920	2,826,190
Average Year	1,131,991	835,762	1,967,753
Item % of Total, Average Year	57.5	42.5	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

c 46-15

Federal Agency US Forest Service

Program Gifford Pinchot National Forest

County Skamania

State Washington

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 83,160	$ 640	$ 640	$ 226,450	$ 63,330	$ 5,110	$ 10,230	$ 0	$ 385,740	$ 775,300
1958	103,630	1,280	0	609,630	153,530	1,920	41,580	0	419,640	1,331,210
1959	119,620	3,200	640	515,600	134,980	1,920	42,860	640	399,170	1,218,630
1960	94,670	5,760	640	535,430	211,100	3,840	42,860	640	464,420	1,359,360
1961	131,140	6,400	3,840	1,785,400	181,030	7,040	83,160	2,560	442,670	2,643,240
1962	225,810	5,760	6,400	724,140	454,830	10,870	117,700	8,310	494,490	2,048,310
1963	195,110	6,400	20,470	743,970	351,840	17,270	141,370	6,400	655,050	2,137,880
1964	185,510	9,600	18,550	1,103,480	374,860	17,910	131,780	9,600	839,290	2,690,580
1965	128,580	5,760	10,870	1,267,890	423,480	8,950	126,660	10,870	646,740	2,629,800
1966	193,190	11,510	8,320	1,321,620	436,270	7,060	174,640	8,960	664,650	2,826,200

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Skamania

STATE Washington

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Timberland - Class I	$ 3.00	673,007	$ 2,019,021	40.0	$ 80,761	12c
Timberland - Class II	4.00	135,188	540,752	40.0	21,630	16
						16
						12
						12
Totals	$ 3.17	808,195	$ 2,559,773	40.0	$ 102,391	13c

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

c46-17

Federal Agency US Forest Service
Revenue Sharing Program Gifford Pinchot National Forest (25%)a/
County Skamania
State Washington

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Los (Col. 2 x a/)
1957	$ 3,929,890	$ 24,260	$ 3,905,630	$ 971,896	$ 6,065
1958	3,298,740	41,030	3,257,710	810,664	10,258
1959	5,811,040	92,450	5,718,590	1,423,039	23,112
1960	6,657,780	143,660	6,514,120	1,621,003	35,915
1961	4,743,730	132,540	4,611,190	1,147,541	33,135
1962	4,640,810	182,850	4,457,960	1,109,410	45,712
1963	5,490,690	277,540	5,213,150	1,297,346	69,385
1964	5,715,820	359,580	5,356,240	1,334,057	89,895
1965	5,695,216	369,260	5,325,956	1,331,489	92,315
1966	7,552,180	408,710	6,741,840	1,685,460	102,178

Source Federal Agencies' Field Offices.

C46-17

County **Skamania**

State **Washington**

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

Years	Total School Budget	P.L. 815 Aid Provided	P.L. 815 % of Total Budget	P.L. 874 Aid Provided	P.L. 874 % of Total Budget
1957	$ 0	$ 0	0	$ 0	0
1958	0	0	0	0	0
1959	1,080,128	0	0	8,417	.8
1960	967,383	0	0	1,326	.1
1961	1,899,926	0	0	16,106	.8
1962	1,341,944	0	0	8,435	.6
1963	1,316,817	0	0	18,673	1.4
1964	1,343,202	0	0	15,006	1.1
1965	1,518,724	0	0	17,101	1.1
1966	1,395,615	0	0	13,896	1.0

Sources: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

CH-19

CASE. COUNTY DIGEST
STEVENS, WASHINGTON

I. The County

a. General Description: Stevens County is one of the medium-sized, sparsely populated counties in northeast Washington. It borders Canada on the north and its eastern border is 20 miles from Idaho. The county contains six municipalities, 28 school districts and two special districts. The special districts engage in fire protection and the supply of utility services.

The functions of county and municipal governments overlap; however, the county also provides services in the areas of health, welfare, law enforcement, and road construction.

All of the municipalities in the county are small in terms of size as well as population. The largest municipality is the county seat, the City of Coleville, which contains approximately 4,000 people. Despite their small size, all municipalities provide tax assessment, street improvement, and fire protection.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	17,884	1966	2	17,200	-3.8
Urban[1]	1960	1	3,809	1966	2	3,800	-0.2
Rural	1960	1	14,075	1966	2	13,400	-4.8
Employment	1959	3	1,758	1966	3	1,928	9.7
Effective Buying Income ($000)	1960	2	24,703	1966	2	33,344	35.0
Per Capita EBI ($)	1960	2	1,388	1966	2	1,939	39.7
Public School Enrollment (K-12)	1960	1	4,783	1965	4	2,700	-43.6

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[1] Includes areas of 2,500 people or more.

Sources: 1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

The figures indicate declines in all of the categories except effective buying income, employment, and per capita EBI. Most notable is the sharp decline in public school enrollment (K-12), which may indicate the migration of younger persons from the county.

c. The Land: Of the total land area of 1.6 millions acres, Federal lands account for the following:

National Forest	222,717 acres
Wildlife Refuge	43,753 acres
Grazing Tracts - TG-15	27,859 acres
Total Acreage Subject to PILT or RS	294,329 = 18% of total
Indian Reservation	137,671 acres
Columbia River Project	22,764 acres
Total Federal Land not Subject to PILT or RS	160,435 = 10% of total
Total Federal Acreage in County	454,764 = 28% of total

The acreage under control of the Bureau of Reclamation (B of R) relating to the Columbia River Project in Stevens County is not included in acreage subject to PILT or RS since the agreement between the Secretary of the Interior and the State of Washington does not provide for a PILT payment to Stevens despite the loss of some 22,700 acres due to the project.

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the period 1957-1966. During this period total receipts rose by approximately $1.6 million or 53%, with the bulk of the increase arising from non-property taxes and revenues. Although property taxes in Stevens County account for a somewhat higher share of total revenues than in other Washington counties, 1966 revenues from this source accounted for only about 27% of total revenues. The increase in the category "Other Taxes and Revenues" also reflects shared revenues which in 1966 accounted for over 15% of the revenues in this category.

The county's bonded indebtedness tripled during the period 1956-1966. The bulk of the increase was occasioned by the floating of school bonds with utility bonds accounting for the balance. The summary at the end of the case digest contains current outstanding indebtedness.

Table No. C-1a shows that on a per capita basis state taxes increased by 56% over the 10-year period, while for the same period state taxes decreased by 4% as a percent of EBI. Local property taxes increased by 80% per capita and by 10% as a percent of EBI. Total state and local property taxes increased on a per capita basis from $156 to $252, or 62%, but declined by less than 1% as a percent of EBI.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the period 1957-1966. Expenditures have increased at a substantially lesser rate than receipts, however, this is due to the inordinately high expenditures in 1957. In most of the years during the 10-year period receipts slightly exceeded expenditures. On a per capita basis total expenditures rose from a low of $162 in 1958 to $268 in 1966. Excluding the inordinately high expenditures in 1957, the largest increase during the nine-year period was in the category "Education," whereas the combination of highways and other expenditures increased at approximately one-half that rate.

c. Property Taxes: Table No. C-3 contains detailed data for the assessed values of property subject to taxes for the period 1957-1966. Total assessment increased by approximately $7 million or 29%, with the largest share of the increase in rural properties. The assessed valuation of public utilities (assessed by the state) declined by almost one-half and in 1966 represented only 3% of the total assessed value, whereas in 1957 this category accounted for 6% of the total. The average mill rate has fluctuated from year to year and the 1966 rate was at only a slightly higher level than that for 1957.

Included in the tax base are the assessed values of certain possessory interests on Federal lands. The summary at the end of the case study report shows that in 1966 certain leases furnished by the Forest Service (FS) provided a total assessed value of over $24,289 and yield $1,025 in taxes. Leases extended by the other two agencies are not being assessed and taxed by the county.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: As stated above, the FS, Bureau of Land Management (BLM) and Bureau of Sport Fisheries and Wildlife (BSF&W) have active RS programs in the county. Applicable data for each of the years 1957-1966 relating to acreage and revenue sharing payments are contained in Table No. C-4 except for TG Section 15 payments for which data were provided only for the years 1961-1966. During the last two years, 1965 and 1966, the annual payments of $66,232 and $66,713 substantially exceed those in any previous year; the bulk of the increase was accounted for by the substantially larger payments from the wildlife refuge. In 1966 FS activities also increased notably.

b. Indirect Benefits: The state of Washington is eligible for BPR sliding scale payments and payments allocable to Stevens County have been made in each of the 10 years 1957-1966. The Table No. C-5 contains the details for the 10-year period. These payments varied from a low of $1,800 to the 1966 high of $51,600. The wide variation in payments is attributable to state and county project variations and related road construction activities.

c. Value of Free Goods and Services: Table No. C-6 contains data relating to the free goods and services provided by two of the three Federal agencies (such have also been provided to the state). They are composed of various tracts of land for a variety of leases including access roads, radio station and power line right-of-way. Based on estimates of the supplying agencies of the value of these tracts, it was calculated that their annual benefit to the county amounts to approximately $11,725.

d. Federal Facilities and Services Having Joint Use: None of the three agencies reported their providing any facilities or services for the joint use of local government.

e. Resource Expenditures - Management: All three agencies expended varying amounts within the framework of their land management programs. Table No. C-7 contains a summary of the resource program expenditures by all agencies. The total amount rose each year and in 1966 reached a total of $689,000. The average annual expenditure for the 10-year period was $375,600. Tables No. C-7a1 and 2 contain the details for the FS and the BSF&W by expenditure category. BLM was unable to provide such details; however, its expenditure in 1966 amounted to only approximately $15,000. This figure was derived by prorating total BLM resource expenditures in the state of Washington. It should also be noted that BSF&W expenditures were classified by that agency as administrative and operating expenditures.

The management activities of the three agencies are generally overlapping. BSF&W, for example, also conducts timber sales while BLM reports activities in forest insect and disease control. Likewise, BLM reports having negotiated mineral leases, but as Table No. C-4 shows, no revenues have, as yet, been shared from this activity.

IV. Burdens to Local Government

a. Direct Burdens: This sparsely populated county did not provide any services directly relating to the presence of Federal lands. Consequently, no direct financial burdens were incurred.

b. Indirect Burden: The immunity of the relatively low quality Federal land in Stevens County to taxation by local government has deprived the county of a relatively small amount of additional property tax revenues. Table No. C-8 contains an estimate of the potentially accessible and resulting tax revenue at prevailing mill rates for a total of 294,329 acres. The difference between this figure and the 452,265 acres shown on page 2 is acreage not subject to RS programs in Stevens County. The bottom figure in Table No. C-8 shows a potential tax revenue of 9¢/acre.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: In each year during the 1957-1966 period, the gross receipts available for revenue sharing were reduced by specified costs. As shown in Table No. C-9 the reductions from gross receipts are significant. In 1957, for example, the reduction accounted for approximately 5% whereas in 1966 it accounted for approximately 25%. The resulting reduction in shared revenue varied from a low of $1,600 to a high of slightly under $18,000 in 1966.

Additionally the RS payments to the county were reduced as a result of the FS's practice of reducing the value of the timber purchase contract by the estimated cost of construction and reconstruction of harvest roads. If this reduction had not been made in 1966 -- it amounted to $15,900 -- the RS payment to the county would have been increased by $3,975.

d. Public Laws 815 and 874: The school districts in Stevens County qualified for aid under PL 874 in nine years of the 10-year period and in three of the years for aid under PL 815. Table No. C-10 contains the pertinent details.

V. Impact of Present System

a. County Finance: The impact of the present system in Stevens County is generally favorable. It results in total net benefits which exceed the potential tax from these lands if they were in private ownership. The net benefits are composed of the following items (1966 figures):

Revenue Sharing (C-4)	$ 66,713
Sliding Scale Payments (C-5)	32,508
Free Goods and Services (C-6)	11,725
Total Direct Benefits	$110,946 = 38¢/acre

As shown above, the potential revenue from private ownership is 9¢ or 23% of the net benefits obtained in 1966 from revenue sharing and related programs.

b. The Overview: The only serious problem relating to Federal lands observed during the course of this study was the aftermath of the Columbia River Project which was constructed by B of R in the late 1930's. The reservoirs for the Grand Coulee Dam submerged hundreds of acres of productive orchards and farm lands along the area now known as Roosevelt Lake which extends along the western boundary of the county. While the land owners were reimbursed for their properties, the county was not compensated and still is not being compensated for the tax revenue lost as a result of this Federal project. It should be observed that other counties in the State of Washington with an apparently similar situation, are recipients of PILT in partial compensation for the taxes lost.

It has also been asserted by the county assessor that the lands under control of the FS would yield higher revenues to the county if they were in private ownership. An estimate of $99,000 in property taxes was made. This estimate which lacks the details needed for verification, was compared with estimates prepared during the course of this study and shown to be unrealistically high.

STEVENS, WASHINGTON

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Valuation	Total Tax Revenue
Forest Service	Commercial, Recreational	$24,289	$1,025
BLM	None	0	0
BSF&W	None	0	0
	Total	$24,289	$1,025

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
School	$2,193,508	$1,564,800
Water & Sewage	611,700	344,750
Fire Protection	90,700	65,750
Roads	16,000	11,000
Total	$2,911,908	$1,986,300

Source: Stevens County Audit Reports.

C47-8

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Stevens

STATE Washington

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 526,318	$ 335,086	$ 861,404	$ 2,238,452	$ 3,099,856
1958	587,246	372,306	959,552	3,103,255	4,062,807
1959	661,170	380,042	1,041,212	3,007,094	4,048,306
1960	749,523	403,589	1,153,112	2,817,452	3,970,564
1961	745,953	410,563	1,156,516	3,101,608	4,258,124
1962	791,036	441,106	1,232,142	2,858,142	4,090,284
1963	797,415	398,109	1,195,524	2,994,079	4,189,603
1964	823,652	392,967	1,216,619	3,521,703	4,738,322
1965	836,628	388,302	1,224,930	2,992,528	4,217,458
1966	884,725	393,780	1,278,505	3,461,259	4,739,764
% incr./decr. '66 vs. 1st yr.	68.1	17.5	48.4	54.6	52.9

Source: Stevens County Audit Reports.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY Stevens

STATE Washington

	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
YEAR	Sales & Gross Receipts (1)	Individual Income (2)	Other 1/ (3)	Total 1/ (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	1,924	0	452	2,376	9.59	114.23	3.48	41.41	13.07	155.64
1958	1,505	0	499	2,004	7.52	96.81	3.60	46.36	11.12	143.17
1959	1,649	0	540	2,189	7.66	104.24	3.64	49.58	11.30	153.82
1960	1,752	0	507	2,259	9.14	126.91	4.67	64.78	13.81	191.69
1961	1,643	0	508	2,151	9.10	121.53	4.89	65.34	13.99	186.87
1962	1,717	0	527	2,244	9.28	127.50	5.10	70.00	14.38	197.50
1963	1,853	0	568	2,421	9.75	138.34	4.82	68.32	14.57	206.66
1964	1,944	0	389	2,333	9.79	145.57	4.70	69.92	14.49	215.49
1965	1,950	0	424	2,374	9.78	152.31	4.65	72.48	14.43	224.79
1966	2,342	0	718	3,060	9.18	177.91	3.83	74.33	13.01	252.24

1/ Excludes Corporation Net Income Taxes.

Sources: Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col. (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Stevens

STATE Washington

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$1,850,359	$ 555,718	$ 3,216,456	$ 5,622,533	$ 270
1958	1,745,426	655,250	950,098	3,350,774	162
1959	2,832,980	837,923	929,934	4,600,837	219
1960	2,237,443	776,637	747,465	3,761,545	211
1961	2,155,518	818,421	1,029,292	4,003,231	226
1962	2,282,254	789,583	1,009,297	4,081,134	232
1963	2,350,514	796,516	1,037,423	4,184,453	239
1964	2,311,305	757,323	1,017,603	4,086,231	235
1965	2,767,832	788,292	1,049,446	4,605,570	164
1966	2,610,854	912,624	1,080,061	4,603,539	268
% incr./decr.'66 vs. first year	41.1	64.2	(66.4)	(18.1)	(0.7)
% incr./decr.'66 vs. first year per capita	70.8	114.8	(59.4)	(0.7)	

Source: Stevens County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

County Stevens

State Washington

TABLE NO C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial Industrial 2/	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal	(7) Other 2/	(8) Total Assessed Value
1957 Assessed Value	$ 3,993,775	$	$1,498,376	$ 7,659,940	$ 1,264,475	$ 9,155,355	$	$ 23,572,121
Aver. Tax Rate 38.1 mills								
Item % of Total	16.9		6.4	32.5	5.4	38.8		100.0
1958 Assessed Value	4,423,730		1,378,900	8,300,100	614,620	9,307,650		24,025,000
Aver. Tax Rate 40.0 mills								
1959 Assessed Value	4,762,460		1,308,176	9,112,478	806,852	9,179,758		25,169,724
Aver. Tax Rate 41.4 mills								
1960 Assessed Value	4,892,545		1,240,571	9,521,545	819,495	8,870,088		25,344,244
Aver. Tax Rate 45.5 mills								
1961 Assessed Value	5,002,010		1,177,114	9,988,235	814,665	9,330,977		26,313,001
Aver. Tax Rate 44.0 mills								
1962 Assessed Value	5,125,225		1,141,484	10,750,940	1,558,640	10,354,600		28,930,889
Aver. Tax Rate 42.6 mills								
1963 Assessed Value	5,206,305		1,076,764	11,550,675	1,606,635	9,686,350		29,126,729
Aver. Tax Rate 41.1 mills								
1964 Assessed Value	4,979,265		1,013,231	12,107,480	1,614,305	9,401,124		29,115,405
Aver. Tax Rate 41.8 mills								
1965 Assessed Value	5,100,655		868,537	12,890,430	1,608,500	9,493,936		29,962,058
Aver. Tax Rate 40.9 mills								
1966 Assessed Value 1/	5,234,280		852,645	13,230,485	1,661,355	9,331,280		30,310,045
Aver. Tax Rate 42.2 mills								
Item % of Total	17.3		2.8	43.6	5.5	30.8		100.0
Increase/Decrease '66 vs. '57	31.1		(43.1)	72.7	31.4	1.9		28.6

1/Assessed value represents 22.0 percent of actual market value in 1966.
2/Included in other items.
Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. L-6

FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE - WASHINGTON COUNTY - STEVENS										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	29144	19902	20738	45726	24104	35520	36781	49064	56256	51280
PERCENT BASE YEAR	100.0	68.3	71.2	156.9	82.7	121.9	126.2	168.4	193.0	176.0
PROGRAM ACREAGE	220208	220208	220213	220213	220213	220213	220213	220093	220093	222717
REVENUE $ PER ACRE	0.13	0.09	0.09	0.21	0.11	0.16	0.17	0.22	0.26	0.23
MIGRATORY BIRD ACT										
FEDERAL PAYMENTS ($)	144	237	207	519	51	369	1683	0	9736	15083
PERCENT BASE YEAR	100.0	164.6	143.7	360.4	35.4	256.2	1168.7	0.0	6761.1	10474.3
PROGRAM ACREAGE	43774	43827	43906	43906	43906	43906	43906	0	43906	43753
REVENUE $ PER ACRE	0.00	0.01	0.00	0.01	0.00	0.01	0.04	0.00	0.22	0.34
TAYLOR GRAZE SECT 15 *										
FEDERAL PAYMENTS ($)	NA	NA	NA	366	551	222	348	197	239	354
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	150.5	60.7	95.1	53.8	65.3	96.7
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	29288	20139	20945	46611	24706	36111	38812	49261	66231	66717
PERCENT BASE YEAR	100.0	68.8	71.5	159.1	84.4	123.3	132.5	168.2	226.1	227.8
PROGRAM ACREAGE	263982	264035	264119	264119	264119	264119	264119	220093	263999	266470
REVENUE $ PER ACRE	0.11	0.08	0.08	0.18	0.09	0.14	0.15	0.22	0.25	0.25

NA = data not available. This county does not have any Nonsection 10 land programs.

*Total land available under program in 1966 was 27,859 acres.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.068 is shown as $0.06. Revenues per acre for all programs combined are affected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID, BPR SLIDING SCALE PROGRAM, TO COUNTY

COUNTY Stevens

STATE Washington

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ 139,963	$ 9,181
1958	130,000	8,528
1959	27,308	1,791
1960	577,727	37,898
1961	205,103	13,454
1962	177,609	11,651
1963	306,087	20,079
1964	232,325	15,240
1965	96,637	6,339
1966	786,594	51,600

Source: U.S. Bureau of Public Roads, allocation by EBSMC.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Stevens

STATE: Washington

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Radio Relay Station Site	$ 5
	Roads	11,690
BSF&W	Power Line Right-of-way	30
	Total	$ 11,725

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County Stevens

State Washington

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE
PROGRAM EXPENDITURES
ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 32,715	$ 0	$ 140,986[1]
1958	56,776	0	204,292[1]
1959	171,005	53,836	224,841
1960	199,113	70,602	269,715
1961	209,878	65,631	275,509
1962	284 840	70,105	354,945
1963	256,201	111,442	367,643
1964	218,659	142,419	361,078
1965	355,136	107,081	462,217
1966	592,429[2]	96,404	688,833[2]
Average Year[3]	285,908	89,690	375,598
Item % of Total, Average Year	76.1	23.9	100.0

1/ Includes Forest Service total expenditures which were not allocated.
2/ Includes BLM expenditures which were not available for prior years.
3/ Average year based on 1959-1966 data.

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Colville & Kanisku National Forests

County Stevens

State Washington

TABLE NO. C-7a

Page 1 of 3

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA	$ NA
1958	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1959	30,042	2,773	131	59,629	5,973	0	7,490	131	91,132	197,301
1960	24,001	3,826	73	98,961	6,353	0	7,148	407	98,966	239,715
1961	31,295	6,443	129	61,819	5,711	0	10,817	1,101	123,059	240,364
1962	45,416	10,110	8,806	61,897	5,537	0	15,566	1,665	146,488	298,465
1963	37,165	24,065	7,175	78,785	9,505	291	25,857	1,697	137,563	322,083
1964	36,551	9,133	1,296	117,126	8,835	0	15,549	1,608	123,209	313,103
1965	56,289	15,076	6,319	122,723	29,792	0	23,036	2,820	176,466	430,517
1966	84,036	31,871	5,491	159,642	76,918	190	34,957	1,479	242,807	637,391

Source: Federal Agencies' Field Offices.

Federal Agency Interior - BLM

Program Taylor Grazing Act - Section 15

County Stevens

State Washington

TABLE NO. C-7a

Page 2 of 3

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1958	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1959	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1960	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1961	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1962	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1963	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1964	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1965	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
1966	2,120	268	0	0	0	0	0	0	13,074	15,462

Source: Federal Agencies' Field Offices.

Federal Agency Bureau of Sport Fisheries and Wildlife

Program Migratory Bird Refuge

County Stevens

State Washington

TABLE NO. C-2a

Page 3 of 3

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Vegetation	Development & Maintenance of Wildlife	Other (Timber Sales)	Total Resource Expenditure
1957	3,000	3,500	0	1,500	0	0	0	24,715	0	32,715
1958	3,100	3,000	0	3,000	0	0	0	47,676	0	56,776
1959	3,000	2,500	0	1,000	0	0	0	21,060	0	27,560
1960	3,000	3,400	0	1,200	0	0	0	20,900	1,500	30,000
1961	5,000	900	0	0	0	0	0	24,843	4,400	35,143
1962	2,700	3,000	0	2,000	7,500	0	0	32,080	9,200	56,480
1963	3,000	3,000	0	4,000	0	0	400	22,460	10,700	43,560
1964	4,100	8,000	0	5,000	0	0	200	22,675	8,000	47,975
1965	4,500	1,400	0	500	2,800	0	300	14,200	8,000	31,700
1966	5,000	1,000	0	3,000	0	0	500	13,500	13,000	36,000

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Stevens

STATE Washington

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Timbered land - bare land value	$ 1.00	68,738	$ 68,738	38.8	$ 2,667	4¢
Timberland - immature	2.00	152,345	304,690	38.8	11,822	8
Grazing - meadow land	4.00	168	672	38.8	26	16
Grazing - open hillside	3.00	1,466	4,398	38.8	171	12
BLM						
Forest land	4.00	25,259	101,036	38.8	3,920	16
Woodland	3.00	1,000	3,000	38.8	116	12
Range	3.00	1,600	4,800	38.8	186	12
BSF&W						
Grazing	4.00	43,743	174,972	38.8	6,789	16
Recreation	9.00	10	90	38.8	3	35
Totals	$ 2.24	294,329	$ 659,772	38.8	$ 25,598	9¢

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (3) State and Local Officials, EBSMC Estimates.

Federal Agency US Forest Service

Revenue Sharing Program Colville & Kaniksu National Forests (25%)a/

County Stevens

State Washington

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 x a/)
1957	$ 122,988	$ 6,418	$ 116,570	$ 29,145	$ 1,604
1958	89,503	9,891	79,612	19,903	2,473
1959	102,720	19,764	82,956	20,739	4,941
1960	191,733	20,825	170,908	42,727	5,206
1961	124,247	27,823	96,424	24,106	6,956
1962	163,364	21,284	142,080	35,520	5,321
1963	187,443	40,315	147,128	36,782	10,079
1964	248,299	52,063	196,236	49,064	13,011
1965	287,491	62,463	225,028	51,280	15,616
1966	276,225	71,105	205,120	56,257	17,776

Source: Federal Agencies' Field Offices.

County: Stevens

State: Washington

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

Years	Total School Budget	P.L. 815 Aid Provided	P.L. 815 % of Total Budget	P.L. 874 Aid Provided	P.L. 874 % of Total Budget
1957	$ 0	$ 0	0	$ 0	0
1958	1,765,428	0	0	10,593	.6
1959	2,032,980	0	0	44,719	1.6
1960	2,237,663	28,976	1.3	49,441	2.2
1961	2,155,518	28,028	1.3	46,533	2.2
1962	2,282,254	0	0	48,038	2.1
1963	2,350,516	0	0	51,026	2.2
1964	2,311,305	0	0	60,829	2.6
1965	2,767,032	45,556	1.6	55,016	2.0
1966	2,610,036	0	0	58,376	2.2

Source: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

CASE COUNTY DIGEST
WHATCOM, WASHINGTON

I. The County

a. General Description: Whatcom is a fairly large county located in the northwestern part of the State; it borders Canada and the Pacific Ocean. The county seat is the City of Bellington, which is located on the coast of the Puget Sound and comprises approximately one-half of the total county population. There are a total of seven municipalities, 19 townships, nine school districts and 17 special districts in the county. Sixteen of the special districts are engaged in fire protection exclusively while the other is concerned with the supply of public uitilities. County, municipal, and township governments provide a full range of services with overlap in the areas of financial assessment, and sanitation; the county alone is engaged in tax collection. Additional areas in which the county and municipal governments function include highways and law enforcement for the county, and streets, fire protection, cemetery operation and utility operation for the municipalities.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	70,317	1966	2	71,100	1.1
Urban[1]	1960	1	37,198	1966	2	38,700	4.0
Rural	1960	1	33,119	1966	2	32,400	-2.2
Employment	1959	3	12,278	1966	3	14,589	18.8
Effective Buying Income ($000)	1960	2	122,748	1966	2	163,603	33.3
Per Capita EBI ($)	1960	2	1,739	1966	2	2,301	32.3
Public School Enrollment (K-12)	1960	1	15,445	1965	4	15,300	-0.9

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[1] Includes areas of 2,500 people or more.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March employment covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

During the period 1960-1966 the county experienced a modest increase in population of just a little over 1%. During this same period the urban population increased 4%. Half of this increase occurred at the expense of the rural population. Employment grew at a somewhat faster rate while effective buying income increased at a more substantial rate of 33%. Per capita EBI increased at a similar rate.

c. The Land: The topography is extremely rugged with almost two-thirds of the county being comprised of the Mt. Baker National Forest, a major attraction of the county, which is extremely mountainous with an elevation of 10,750 feet.

Total land area in the county is 1.4 million acres, 64% (865,000 acres) of which are in Federal ownership under the jurisdiction of the Forest Service (FS). Additionally, a very small quantity of land is under the jurisdiction of the Bureau of Land Management (BLM); however, it does not provide any PILT or RS for the county. Of the acreage under jurisdiction of the FS, only 356,000 acres are in commercial timberland. The remainder is composed of lakes, inaccessible timberlands, wilderness areas, maintenance areas and barren lands.

II. County Finance

a. Revenues: Table No. C-1 contains detailed revenue data for the period 1957-1966 for the county and all units of government therein. During this period total receipts increased 78%. The increases for the various categories are as follows: "Real Property", 87%; "Personal Property", 64%(all property taxes 81%) and "Other Taxes and Revenues", 76%. The relatively low share of property taxes of total revenues indicated in 1957 (approximately 25%) remained relatively constant throughout the 10-year period increasing at only a slightly greater rate than "Other Taxes and Revenues".

During the period 1957-1966 bonded indebtedness of the county increased substantially. The available records indicate an outstanding face value in 1956 of just under $4 million, which increased to over $12 million by 1961 and, as the summary attached to the end of this study digest indicates, reached the figure of $26,658,300 by 1966. The debt incurred during these years included $5 million for the refunding of the outstanding debt, and over $4 million for port and harbor construction which began in 1958. Other large issues were floated for school construction, approximately $7.5 million, and more than $6 million for water and sewerage.

Table No. C-1a shows that per capita state taxes increased from $104 to $301 while per capita local property taxes increased from $46 to $86. Combined state and local property taxes increased 158% on a per capita basis during the 1957-1966 study period and 69% as a percent of EBI.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the period 1957-1966. It shows that the rate of increase exceeds that for revenues and also that in four of the last six years total expenditures exceeded total revenues. The greatest increase in expenditures occurred in education, which, in 1966, accounted for 45% of all expenditures. On a per capita basis, the increase in expenditures has exceeded the rate of the absolute increase, 103% as compared with 96%. The per capita expenditures for 1966 were at a rate of $373 which is far above the indicated average for the public land intense counties studied.

c. Property Taxes: Table No. C-3 contains detailed data for the assessed value of property subject to taxes for the period 1957-1966. The increase reflected in these figures is substantially less than that reflected in the figures for total revenues and expenditures. The increase in total assessments for 1966 is primarily in personal, real and rural properties and is reflected in additional receipts in Table C-1. During the 10-year period there were no substantial shifts in the share of the various property categories of the total assessed values. Equalizing the assessed values to fair market values and applying the 1966 mill rate results in a tax equivalent of 13.0 mills on full value, a rate not indicating an inordinate reliance upon property taxes.

Included in the assessed values and tax revenues are the figures pertaining to possessory and leasehold interests on Federal lands. The FS has granted over 7,800 leases within Mt. Baker National Forest with about one-half of them applying to winter sports facilities. These leases, all of which are being taxed with the exception of isolated cabin sites, yielded only $2,500 in property taxes. The summary attached at the end of the case county digest contains pertinent figures.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: The FS revenue sharing program is the only one applicable to Whatcom County. Table No. C-4 contains acreage and payment data for the 10-year period 1957-1966. These figures indicate a high level of payments throughout the 10-year period with a new peak attained in 1966.

To provide proper perspective on how substantial the revenues from the Forest Fund are, one must compare them not only with the total land area involved which for 1966 produced a rate of 54¢/acre but also with the actual cutting area. Of the aforementioned 865,000 acres slightly more than 40%, or 356,000 acres, are within the commercial cutting area while the remainder are either inaccessible or primitive, barren lands in mountainous territory. Applying, then, the 1966 revenues of over $464,000 to the "income" generating acreage, we find that a rate of $1.30/acre is obtained. This, as will be shown later, compares very favorably with the potential tax revenue which might be generated from these lands if they were in private ownership.

b. Indirect Benefits: The state of Washington is eligible for the BPR Sliding Scale Highway Aid Program and, as a result thereof, payments were made in each of the 10 years from 1957 to 1966, allocable to Whatcom County. Table No. C-5 contains the figures for the period. In 1966 the amount of Federal aid under this program amounted to $92,000, only $2,000 more than in 1960, the year in which the all-time low was experienced.

c. Value of Free Goods and Services: Only a very minor quantity of construction materials and a small tract of land have been made available free of charge to county government (more substantial indirect benefits are accruing to the State and the City of Seattle). Table No. C-6 contains a summary of the value of the free goods and services provided by the FS. They have an annual value of $125.

d. Federal Facilities and Services Having Joint Use: County government benefits from the free use of various facilities and assistance in the law enforcement area. The annualized value of these benefits, based on the data provided by the FS, resulted in an estimate totaling $6,425.

e. Resource Expenditures - Management: The FS, within framework of its routine land management programs, has expended considerable sums for various categories. These expenditures grew consistently during the period 1957-1966 as shown in Table No. C-7. In 1966 resource expenditures reached a level of $1.3 million, substantially above the 10-year average of $906,000. Table No. C-7a1 contains the expenditures by category.

IV. Burdens to Local Government

a. Direct Burdens: Because of the virtual separation of the forest lands from the more populous area of the county and the very intense land management program by the FS, the county did not incur any direct financial burdens which are attributable to the presence of the forest land.

b. Indirect Burden: The immunity of the Federal lands to taxation by local governments inevitably represents a loss of revenue. Though it is feasible to compute the potential assessed value and resulting property taxes if these lands were in private ownership, any such calculation is, at best, tenuous due to the quality of well over half of these lands. Such an estimate has been prepared and is contained in Table No. C-8. Though it results in an estimate of total assessed value of $1.9 million on which property taxes of $94,000 might be levied, as stated before, these figures are not realistic. Moreover, they result in an estimated tax per acre of 11¢ which is substantially below the shared revenue from the existing RS program even if all other benefits are disregarded.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: Table No. C-9 contains the pertinent data for the study period. Throughout the 10-year period, specified costs were of relatively small magnitude as compared with gross receipts and generally ranged below 5% of gross receipts. The resulting revenue share "lost" was correspondingly small, with the largest amount occurring in 1965, $23,552, which was equal to approximately 6% of the net revenue shared.

d. Public Laws 815 and 874: The county school districts have qualified for assistance under PL 815 and PL 874. Table No. C-10 contains the figures for the period 1957-1966 and indicates nominal payments.

V. Impact of Present System

a. County Finance: The impact of the present system in Whatcom County is generally positive. It may be summarized as follows (1966 figures):

Revenue Sharing (C-4)	$464,510
Sliding Scale Payments (C-5)	92,075
Free Goods and Services (C-6)	125
Joint Use Facilities (III.d.)	6,425
Total Direct Benefits	$563,135 = 65¢/acre

If the above figures were applied to the revenue producing acreage exclusively, they would result in revenues equal to $1.60/acre. As pointed out previously, when these figures are compared with the potential if the lands were in private ownership, the benefits under the present program appear to far exceed those which might be available under private ownership.

b. The Overview: In addition to the previously stated net benefits to Whatcom County from the presence of Feder[illegible]nds, these lands facilitated another important benefit for cou[illegible]y [illegible]es. Reference is made to the City of Seattle's power project lo[illegible] on land reportedly acquired by that city from the Federal governmen[illegible] which is being taxed by the county and which generates a total of $110,000 per year in net tax revenue. This power project, located on the Diablo Dam south of Ross Lake, is surrounded by Federal lands which are being maintained by the FS and which include the road system providing access to the power project.

There is an increasing demand in the county for sites suitable for summer home development. It was reported that the FS has not facilitated satisfaction of this demand. Additionally, members of the woodcutting and wood-using industries assert that the allowable timber cut is insufficient to satisfy prevailing demand and that considerable quantities of ripe timber are going to waste. The considerable disagreement between the woodcutting interests and the expressed policies of the FS raises serious questions specifically relating to the long-run economic goals of the county and its people, and its reflection in the current FS management programs.

WHATCOM, WASHINGTON

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Valuation	Total Tax Revenue
Forest Service	Recreational	$41,443[1/]	$2,499
	Total	$41,443	$2,499

1/ Estimated. Based on tax revenue and average mill rate provided by county.

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Water & Sewage	$ 7,120,766	$ 6,475,500
Schools	11,538,212	7,595,500
Port Harbor	5,077,000	4,110,000
Roads	675,000	379,000
Fire Protection	292,500	186,000
Recreation	2,540,000	2,340,000
Refunding	5,884,000	5,270,000
Health	90,000	54,000
Electric	650,000	135,000
Other	147,000	113,300
Total	$34,014,478	$26,658,300

Source: Whatcom County Audit Reports.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Whatcom

STATE Washington

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$2,504,552	$ 853,206	$ 3,357,758	$ 11,444,158	$ 14,801,916
1958	2,700,570	919,982	3,620,552	11,260,510	14,881,062
1959	3,248,012	1,033,575	4,281,587	13,711,345	17,992,932
1960	3,287,651	962,706	4,250,357	14,479,858	18,730,215
1961	3,727,775	999,904	4,727,679	12,563,879	17,291,558
1962	3,953,178	1,096,225	5,049,403	12,379,832	17,429,235
1963	4,060,219	1,170,674	5,230,893	20,970,737	26,201,630
1964	4,175,982	1,224,227	5,400,209	14,998,335	20,398,544
1965	4,273,213	1,202,457	5,475,670	15,990,654	21,465,324
1966	4,681,931	1,400,869	6,082,800	20,190,182	26,272,982
% incr./decr. '66 vs. 1st yr.	86.9	64.2	81.2	76.4	77.5

Source: Whatcom County Audit Reports.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME

1957 - 1966

COUNTY Whatcom

STATE Washington

YEAR	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
	Sales & Gross Receipts (1)	Individual Income (2)	Other[1/] (3)	Total[1/] (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($ (10)
1957	6,046	0	1,600	7,646	6.89	103.89	3.03	45.62	9.92	149.51
1958	5,432	0	1,776	7,208	6.24	97.80	3.13	49.13	9.37	146.93
1959	8,700	0	1,918	10,618	8.58	142.33	3.46	57.39	12.04	199.72
1960	9,618	0	2,011	11,629	9.47	164.72	3.46	60.20	12.93	224.92
1961	9,744	0	2,039	11,783	9.63	165.72	3.86	66.49	13.49	232.21
1962	10,014	0	2,138	12,152	9.58	170.20	3.98	70.72	13.56	240.92
1963	10,689	0	2,330	13,019	9.98	181.32	4.01	72.85	13.99	254.17
1964	11,026	0	2,410	13,436	9.94	188.71	4.00	75.85	13.94	264.56
1965	12,350	0	2,604	14,954	10.54	211.51	3.86	77.45	14.40	288.96
1966	18,433	0	2,968	21,401	13.08	301.00	3.72	85.55	16.80	386.55

[1/] Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Whatcom

STATE Washington

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$ 5,846,527	$ 1,484,989	$ 6,189,128	$ 13,520,644	$ 184
1958	6,137,578	1,506,887	7,267,476	14,911,941	202
1959	7,677,851	1,586,730	8,216,114	17,480,695	234
1960	7,147,192	1,273,217	9,718,759	18,139,168	257
1961	7,528,559	2,086,343	8,818,958	18,433,860	259
1962	8,618,680	1,842,924	9,064,987	19,526,591	273
1963	8,088,493	1,937,953	9,631,051	19,657,497	274
1964	8,516,063	1,779,000	9,376,658	19,671,721	276
1965	10,454,774	1,914,473	10,521,257	22,890,504	324
1966	11,989,627	2,052,541	12,481,082	26,523,250	373
% incr./decr.'66 vs. first year	105.1	38.2	101.7	96.2	102.7
% incr./decr.'66 vs. first year per capita	113.9	45.0	109.5	102.7	

Source: Whatcom County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

County Whatcom

State Washington

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

C48-11

Year	(1) Residential	(2) Commercial Industrial 2/	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal	(7) Other 3/	(8) Total Assessed Value
1957 Assessed Value	$ 22,809,425	$	$ 1,366,994	$18,991,210	$ 1,937,165	$ 15,345,432	$	$ 60,450,226
Aver. Tax Rate 55.6 mills								
Item % of Total	37.7		2.3	31.4	3.2	25.4		100.0
1958 Assessed Value	23,240,200		1,303,733	21,001,390	1,896,645	16,140,035		63,582,003
Aver. Tax Rate 57.0 mills								
1959 Assessed Value	23,852,140		1,308,176	22,023,455	1,879,720	15,589,367		64,652,858
Aver. Tax Rate 66.3 mills								
1960 Assessed Value	25,565,660		1,082,712	23,160,100	1,843,790	15,113,124		66,765,386
Aver. Tax Rate 63.7 mills								
1961 Assessed Value	26,237,665		1,102,648	23,761,985	1,858,765	14,203,182		67,164,245
Aver. Tax Rate 70.4 mills								
1962 Assessed Value	26,848,270		1,554,988	24,572,995	1,944,260	15,225,347		70,145,860
Aver. Tax Rate 72.0 mills								
1963 Assessed Value	27,164,680		1,538,665	25,573,200	1,997,000	16,214,321		72,487,866
Aver. Tax Rate 72.2 mills								
1964 Assessed Value	27,821,740		1,613,001	26,945,560	1,924,675	17,074,296		75,379,272
Aver. Tax Rate 71.7 mills								
1965 Assessed Value	28,473,570		1,451,176	27,518,625	1,847,455	16,677,628		75,968,454
Aver. Tax Rate 72.1 mills								
1966 Assessed Value 1/	38,226,375		1,447,422	35,808,810	2,218,815	23,231,658		100,933,080
Aver. Tax Rate 60.3 mills								
Item % of Total	37.9		1.4	35.5	2.2	23.0		100.0
Increase/Decrease 66 vs. '57	67.6		5.9	88.6	14.5	51.4		67.0

1/ Assessed value represents 21.6 percent of actual market value in 1966.
2/ Included in Residential.
3/ Included in other items.

Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = WASHINGTON COUNTY = WHATCOM										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	448602	357872	391895	448016	281758	304476	356466	399166	360283	464510
PERCENT BASE YEAR	100.0	79.8	87.4	99.9	62.8	67.9	79.5	89.0	80.3	103.5
PROGRAM ACREAGE	865234	865234	865234	865234	865234	865234	865234	865234	865234	865234
REVENUE $ PER ACRE	0.52	0.41	0.45	0.52	0.33	0.35	0.41	0.46	0.42	0.54
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	448602	357872	391895	448016	281758	304476	356466	399166	360283	464510
PERCENT BASE YEAR	100.0	79.8	87.4	99.9	62.8	67.9	79.5	89.0	80.3	103.5
PROGRAM ACREAGE	865234	865234	865234	865234	865234	865234	865234	865234	865234	865234
REVENUE $ PER ACRE	0.52	0.41	0.45	0.52	0.33	0.35	0.41	0.46	0.42	0.54

This county does not have any Nonsection 10 land programs.

Revenues per acre in dollars have been truncated to the nearest cent; i.e., $0.069 is shown as $0.06. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

C-48-12

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID, BPR SLIDING SCALE PROGRAM, TO COUNTY

COUNTY Whatcom

STATE Washington

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ 6,015,534	$ 218,677
1958	8,002,048	292,753
1959	3,192,221	116,001
1960	1,741,768	90,031
1961	6,079,993	246,340
1962	15,852,317	602,635
1963	3,227,330	127,471
1964	2,655,352	128,468
1965	4,039,242	155,006
1966	1,517,409	92,075

Source: U.S. Bureau of Public Roads, allocation by EBSMC.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Whatcom

STATE: Washington

Supplying Agency	Type of Goods & Services	Annual Value
Forest Service	Borrow Pit	$ 100
	Garbage Dump	25
	Total	$ 125

Source: Federal Agencies' Field Offices, EBSMC Estimates.

TABLE NO. C-7

County Whatcom

State Washington

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 272,160	$ 148,540	$ 420,700
1958	477,870	47,520	525,390
1959	544,050	211,210	755,260
1960	426,120	323,420	749,540
1961	414,370	400,370	814,740
1962	732,510	312,090	1,044,600
1963	651,180	432,440	1,083,620
1964	690,810	528,930	1,219,740
1965	717,340	417,680	1,135,020
1966	720,020	596,320	1,316,340
Average Year	564,643	341,852	906,495
Item % of Total, Average Year	62.3	37.7	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Mount Baker National Forest

County Whatcom

State Washington

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Page 1 of 1

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 55,680	$ 0	$ 0	$ 135,630	$ 16,660	$ 0	$ 36,640	$ 0	$ 176,080	$ 420,690
1958	42,360	0	0	244,610	27,600	480	22,840	0	187,500	525,390
1959	295,060	0	0	206,060	42,350	0	25,220	0	186,550	755,240
1960	48,540	0	480	370,250	65,200	480	29,510	480	234,620	749,560
1961	88,040	0	480	380,240	71,390	950	48,070	950	224,620	814,740
1962	267,930	0	11,900	358,350	66,150	480	59,490	480	279,830	1,044,610
1963	81,380	950	10,950	527,770	69,960	0	86,610	1,430	304,580	1,083,630
1964	105,170	480	6,660	526,340	75,190	0	183,220	1,900	320,760	1,219,720
1965	57,110	480	10,950	567,750	80,900	0	81,380	5,230	331,230	1,135,030
1966	170,850	950	9,040	703,860	97,080	950	68,050	5,710	259,840	1,316,330

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Whatcom

STATE Washington

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre 1/ (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills 2/ (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Timberland - Class I	$ 2.00	846,284	$ 1,692,568	50.7	$ 85,813	10¢
Class II	9.00	18,950	170,550	50.7	8,647	46
Totals	$ 2.15	865,234	$ 1,863,118	50.7	$ 94,460	11¢

1/ Composite produced from estimates for each land class or type.
2/ Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

C48-17

Federal Agency US Forest Service
Revenue Sharing Program Mount Baker National Forest (25%)a/
County Whatcom
State Washington

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government1/	(5) Revenue Share Lost (Col. 2 x a/)
1957	$ 1,800,260	$ 5,670	$ 1,794,590	$ 448,602	$ 1,418
1958	1,453,940	22,310	1,431,630	357,872	5,578
1959	1,605,770	38,030	1,567,740	391,895	9,508
1960	1,844,400	52,150	1,792,250	448,016	13,038
1961	1,188,800	61,650	1,127,150	281,758	15,412
1962	1,288,230	70,200	1,218,030	304,476	17,550
1963	1,503,340	77,370	1,425,970	356,466	19,342
1964	1,686,700	89,960	1,596,740	399,166	22,490
1965	1,535,410	94,210	1,441,200	360,283	23,552
1966	1,952,040	93,920	1,858,120	464,510	23,480

1/ Small variance due to county allocations.

Source Federal Agencies' Field Offices.

County Whatcom

State Washington

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

Years	Total School Budget	P.L. 815 Aid Provided	P.L. 815 % of Total Budget	P.L. 874 Aid Provided	P.L. 874 % of Total Budget
1957	$ 5,846,527	$ 29,348	.502	$ 14,939	.256
1958	6,137,578	29,348	.478	22,139	.361
1959	7,677,851	29,348	.382	49,580	.646
1960	7,147,192	29,348	.411	58,303	.816
1961	7,528,559	29,348	.390	59,849	.795
1962	8,618,680	0	0	77,935	.904
1963	8,088,493	0	0	81,881	1.012
1964	8,516,063	0	0	97,095	1.140
1965	10,454,774	0	0	101,170	.968
1966	11,989,627	0	0	115,286	.962

Sources: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

C48-19

CASE COUNTY DIGEST
NATRONA, WYOMING

I. The County

a. General Description: Natrona is a large county located in the center of the state. It has a substantially larger population than other Federal land-intense counties in Wyoming and other western states. The population is mostly urban and is concentrated in four municipalities. The county also contains 13 school districts and two special districts, the latter being engaged in the development of sanitation facilities and resource development activities. The county seat is Casper.

The activities of county and municipal governments generally overlap in such areas as financial control, tax collection and other routine local governmental functions. The county government performs tax assessment and highway maintenance and construction for all levels of government. In addition, it provides law enforcement, fire protection, sanitation facilities, and refuse collection to three of the four municipalities; the fourth performs these functions jointly with the county.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	49,623	1966	2	54,900	10.6
Urban 1/	1960	1	38,954	1966	2	40,500	4.0
Rural	1960	1	10,669	1966	2	14,400	35.0
Employment	1959	3	11,965	1966	3	11,796	-1.4
Effective Buying Income ($000)	1960	2	113,273	1966	2	146,447	29.3
Per Capita EBI ($)	1960	2	2,221	1966	2	2,668	20.1
Public School Enrollment (K-12)	1960	1	11,895	1965	4	14,200	19.4

1/ Includes areas of 2,500 people or more.

Sources:
1. U.S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U.S. Bureau of the Census, County Business Patterns (Mid-March employment covered by the Social Security Program).
4. U.S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

These figures show a modest gain in county population which occurred for the most part in the rural segment. Employment declined slightly during the 1959-1966 period, but effective buying income increased substantially and per capita EBI likewise increased. Public School Enrollment (K-12) increased at a somewhat greater rate than total population.

c. The Land: Of the total land area of over 3.4 million acres, 1.4 million acres are subject to PILT and RS programs. In addition to these Federal lands, the county also contains a Naval petroleum reserve, the famous Teapot Dome. This high producing petroleum reserve is not subject to revenue sharing provisions. It generates income to the Federal government from the sale of petroleum and the granting of grazing leases which cover substantially the entire reserve.

The Federal acreage subject to PILT and RS is composed of the following:

Forest Service (FS)	4,734	acres
Bureau of Land Management (BLM)		
BLM TG-3	299,475	acres
BLM TG-15	1,087,058	acres
Bureau of Sport Fisheries and Wildlife (BSF&W)	1,534	acres
Total	1,392,801	acres

Under the provisions of a 1964 amendment, the county is also entitled to PILT equal to 3/4 of 1% of the total adjusted value of private lands acquired by BSF&W. However, only $11 of payments resulted under this provision in Natrona County in 1966.

II. County Finance

a. Revenue: Table No. C-1 contains detailed revenue data for the period 1957-1966. During this period total receipts rose by over $19 million or 126%. Almost $15 million of this increase stems from taxes and revenues other than property taxes. Real property tax revenues increased by $4.4 million and personal property tax revenues by $200,000 during the study period.

Figures in Table No. C-1 include receipts from Federal revenue sharing as received by the county. Due to the provisions of Wyoming law, only 3% of the Government and Royalty Fund (ML/RS) paid to the state are rebated to the county and, thus, only that share is included in the total county receipts.

There was a large increase in the county's bonded indebtedness during the period 1956-1966 amounting to a total of over $8.5 million. The summary at the end of the case study digest contains details relating to the county's bonded indebtedness as of 1966.

Table No. C-1a contains an estimate of state taxes and a calculation of state and local property taxes per capita related to EBI. The increase in all taxes as a percent of EBI during the 10-year period is of modest proportion, 22%. However, the increase per capita during this period was more substantial, 52%. The reliance on property taxes increased at about the same rate as for total state taxes.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the period 1957-1966. While increases have occurred in all categories of expenditures, the largest is for purposes other than education and highways. The category of "Other Expenditures" accounted for $15.2 million of the $20.5 million increase during the 10-year period. Almost the entire balance of the increase in expenditures was incurred for education. The total increase in expenditures per capita is equal to 82%.

c. Property Tax: Table No. C-3 contains detailed data for the assessed value of property subject to tax for the period 1957-1966. It shows an increase in the total assessed value of over $51 million or 56% for the 10-year period. Only personal property declined while all other property items increased substantially with the largest share of the increase being in the category "Mineral, Timber and Other Natural Resources" which accounted for over $25 million, an increase of 138%. This item also increased its share of the total from 20% in 1957 to 31% in 1966, a reflection of the substantial increase in mineral extraction activities.

Included in the tax base are the substantial values of possessory interests on Federal lands relating to mining and mineral exploration. The assessed value of the related improvements were estimated to be $24,048,000, yielding property tax revenues in excess of $1.5 million. The county has not assessed numerous commercial small tract leases and other miscellaneous leases and, consequently is not realizing any property tax revenues from them. The summary at the end of the case study digest contains appropriate details.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: Table No. C-4 contains the 10-year data, to the extent available, for acreage and RS payments by program. As stated previously, RS payments by the BSF&W commenced in 1966 and amounted to $11. The RS payments of the Forest Service relate to grazing permits rather than the sale of timber. These payments, never of any substantial magnitude, declined over the years and are expected to continue to decrease because of the relative unattractiveness of the lands for grazing purposes. The very small payments under the two aforementioned programs raise the question of whether the cost of processing and distributing such payments is justified, since these costs may exceed the actual receipts. RS from TG Sections 3 and 15 steadily increased, but they too are of small proportion as compared to the substantial payments under the Mineral Leasing Act. As noted previously, of the amounts shown under this program in Table No. C-4, only 3% are actually received by the county.

b. Indirect Benefits: Wyoming is eligible for the BPR Sliding Scale Aid Program and Natrona County received payments under this program in each of the years during the 10-year study period. These payments increased in most of the years during the 10-year period, reaching a new high of $387,000 in 1966.

c. Value of Free Goods and Services: BLM provides the county free of charge with certain construction materials and a substantial quantity of land for rights-of-way. Table No. C-6 contains an estimate of the value of these free goods and services. It shows an annual value of $18,493.

d. Federal Facilities and Services Having Joint Use: None of the Federal agencies reported the provision of any joint use of Federal facilities or services in Natrona County.

e. Resource Expenditures - Management: While all three Federal agencies reported resource expenditures, as summarized in Table No. 7, only BLM made substantial expenditures which increased in most of the years and reached a high of $292,000 in 1966. For all three agencies, total expenditures in 1966 amounted to more than $326,000, and the average per year for the 10-year period was $184,500. Over 14% of these expenditures were for capital items. Tables No. C-7a1, 2 and 3 contain detailed figures by expenditure category for each of the three agencies.

The survey of management activities provided by each of the agencies does not indicate the existence of a program directed towards the maximization of economic benefits, and they appear to be unrelated to any revenue sharing considerations.

IV. Burdens to Local Government

a. Direct Burdens: Local officials indicated that the public lands are causing financial burdens in the following categories and annual amounts:

Maintenance of Roads	$6,000
Fire Protection	2,000
Total Direct Burden	$8,000

Review of county documents indicates reimbursement for the cost of fire protection upon Federal lands approximately equal to the amount expended and, therefore, a total direct burden attributable to the presence of public lands should be identified as $6,000.

b. Indirect Burden: The loss of taxation of the surface value of the Federal lands results in the loss of tax revenues. The relatively low quality of the applicable acreage in Natrona County results in a low estimate of the potentially assessible value and potentially resulting tax revenue. Table No. C-8 contains the appropriate estimates. They result in an estimated potential tax revenue of $148,022 or 11¢/acre.

c. Loss in Revenue as a Result of Sharing Net Versus Gross: The Forest Service, despite the rather small magnitude of gross receipts, calculates certain specified costs and reduces the receipts available for revenue sharing by this amount. Table No. C-9 contains the appropriate data for the 10-year period. In many of the years during the 10-year period, the revenue share "lost" substantially exceeded the actual RS payments. In 1966, for example, the revenue share "lost" was equal to approximately four times the amount of revenue shared.

d. Public Laws 815 and 874: The county obtained Federal aid under PL 815 during the period 1958-1962. The pertinent figures are contained in Table No. C-10.

V. Impact of Present System

a. County Finance: The impact of the present system upon county and other units of local government is quite favorable or, at least, comparable with the potential tax revenue which might be realized if the lands were in private ownership. The following figures reflect the existing situation. The net benefit including that portion of the mineral leasing RS which accrues to the state and is not rebated to the county comprises:

Revenue Sharing (C-4)	$2,365,257
Sliding Scale Payments (C-5)	386,900
Free Goods and Services (C-6)	18,493
Total Direct Benefits	$2,770,650

From this must be deducted financial burdens resulting from the presence of public lands:

Direct Burden (IV.a)	$ 6,000
Resulting Net Benefits	$ 2,764,650 = $2.00/acre

If 3% of the mineral leasing payments are used, reflecting the actual payments which accrue directly to the county, the following figures result:

Revenue Sharing	$ 95,875
Sliding Scale Payments	386,900
Free Goods and Services	18,493
Total Direct Benefits	$ 501,268
Less Direct Burden	6,000
Total Net Direct Benefits	$ 495,268 = 36¢/acre

While the recast basis is, of course, substantially less than the full amount accruing to the state and the county, the benefit per acre of RS-subject lands in the county still exceeds that of the estimated potential tax revenue, due largely to Federal grants for highway construction.

Of course, the relatively favorable situation arises from the fact that revenues resulting from mineral extraction activities are being shared with state and local governments, a source of revenue which would not be available if the lands were in private ownership. The only offset consistent with the existing property tax policies of the state and county would be the taxation of the surface value of these lands and the resulting tax would be substantially less than the amount of shared revenues from mineral production.

b. The Overview: Due to the favorable results of the present RS system, no serious problems relating to the presence of public lands are apparent in Natrona. There is, however, dissatisfaction over the fact that the substantial revenues realized from the Naval petroleum reserves are not shared with the county and/or the state. If these revenues were shared at the same rate at which mineral leasing and royalty revenues are shared on BLM-administered lands, the state and county would have obtained an estimated average RS payment of $360,000 during each of the years 1959-1960, of which at least $10,800 per year would have accrued directly to Natrona County. Such a payment would reflect an increase of more than 10% in the RS payments received by Natrona in 1966.

On the positive side, local officials recognize that the county's economy is heavily dependent upon mineral extraction, and they also appear to realize that under Federal land ownership the direct benefit to county finance exceeds that which would be available from local property taxes or privately owned land.

NATRONA, WYOMING

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II. c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Bureau of Land Management	Mineral	$2 ,048,000[1]	$1,537,966
	Total	$24,048,000	$1,537,966

[1] Estimated. Based upon 1966 average county millage rate in Table C-8.

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II. a.)

Purpose	Face Value	Outstanding Balance
Schools	$11,373,000	$ 5,025,000
Hospital	1,600,000	1,500,000
Voting Machine	210,000	50,000
Roads	1,070,000	785,000
Water & Sewage	6,068,400	2,463,400
Fire Equipment	180,000	72,000
Other	1,991,194	1,256,000
Total	$22,492,594	$11,151,400

Source: Natrona County Audit Reports.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Natrona

STATE Wyoming

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$3,076,251	$1,202,857	$ 4,279,108	$ 10,927,967	$ 15,207,075
1958	3,347,112	1,172,958	4,520,070	14,278,902	18,798,972
1959	4,223,357	1,392,063	5,615,420	14,882,241	20,497,661
1960	4,424,100	1,619,752	6,043,852	14,596,696	20,640,548
1961	4,899,666	1,531,035	6,430,701	20,169,664	26,600,365
1962	5,165,454	1,591,190	6,756,644	13,794,081	20,550,725
1963	5,740,175	1,730,120	7,470,295	19,577,230	27,047,525
1964	6,031,701	1,686,407	7,718,108	15,819,862	23,537,970
1965	6,537,150	1,637,353	8,174,503	17,973,660	26,148,163
1966	7,229,913	1,464,066	8,693,979	25,736,950	34,430,929
% incr./decr. '66 vs. 1st yr.	135.0	21.7	103.2	135.5	126.4

Source: Natrona County Audit Reports.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME
1957 - 1966

COUNTY Natrona

STATE Wyoming

YEAR	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
	Sales & Gross Receipts (1)	Individual Income (2)	Other[1] (3)	Total[1] (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	3,639	0	1,853	5,492	5.83	124.54	4.54	97.03	10.37	221.57
1958	3,814	0	2,200	6,014	6.14	129.62	4.61	97.42	10.75	227.04
1959	3,481	0	2,191	5,672	6.27	127.75	6.20	126.47	12.47	254.22
1960	3,701	0	2,673	6,374	5.63	124.98	5.34	118.51	10.97	243.49
1961	3,584	0	2,826	6,410	4.74	121.40	4.75	121.79	9.49	243.19
1962	3,761	0	3,122	6,883	5.17	128.65	5.07	126.29	10.24	254.94
1963	4,145	0	3,315	7,460	5.29	133.21	5.30	133.40	10.59	266.61
1964	4,272	0	3,559	7,831	5.06	135.48	4.97	133.53	10.03	269.01
1965	4,873	0	3,513	8,386	5.40	144.84	5.26	141.18	10.66	286.02
1966	6,083	0	3,716	9,799	6.69	178.49	5.94	158.36	12.63	336.85

C49-10

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[1] Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS

COUNTY Natrona

STATE Wyoming

C44-11

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$ 5,428,203	$ 668,900	$ 10,307,569	$ 16,404,672	$ 372
1958	3,986,927	655,325	14,738,348	19,380,600	418
1959	5,007,693	695,051	14,585,156	20,287,900	457
1960	5,124,872	788,994	15,130,065	21,043,931	413
1961	7,479,841	785,820	15,944,122	24,209,783	459
1962	9,660,190	796,931	18,095,920	28,553,041	534
1963	6,414,784	880,133	18,538,144	25,833,061	461
1964	7,359,720	854,437	14,963,048	23,177,200	401
1965	7,487,436	1,056,328	17,969,243	26,513,007	458
1966	10,463,922	1,010,877	25,568,392	37,043,191	675
% incr./decr.'66 vs. first year	92.8	51.1	148.1	125.8	81.5
% incr./decr.'66 vs. first year per capita	55.3	20.0	99.1	81.5	

Source: Natrona County Audit Reports.
Col. (5); Col. (4) divided by population estimates, Sales Management.

County Natrona

State Wyoming

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial 2/ Industrial	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal	(7) Other 3/	(8) Total Assessed Value
1957 Assessed Value	$ 32,374,279		$ 11,413,252	$ 2,845,822	$ 18,401,001	$ 25,471,314		$ 90,505,668
Aver. Tax Rate 47.3 mills								
Item % of Total	35.9		12.6	3.1	20.3	28.1		100.0
1958 Assessed Value	34,340,605		11,930,182	2,822,768	26,500,279	26,531,561		102,125,395
Aver. Tax Rate 44.3 mills								
1959 Assessed Value	37,404,807		13,213,702	2,844,772	30,986,301	27,881,284		112,330,866
Aver. Tax Rate 50.0 mills								
1960 Assessed Value	40,450,152		13,467,551	2,825,206	32,429,030	32,704,488		121,876,427
Aver. Tax Rate 49.6 mills								
1961 Assessed Value	43,027,810		13,476,060	2,957,107	35,041,241	29,594,675		124,096,893
Aver. Tax Rate 51.8 mills								
1962 Assessed Value	45,006,670		14,513,634	2,935,540	30,169,348	28,613,710		121,238,902
Aver. Tax Rate 55.7 mills								
1963 Assessed Value	49,348,334		14,768,760	3,366,404	31,229,586	29,841,296		128,554,380
Aver. Tax Rate 58.1 mills								
1964 Assessed Value	51,372,760		15,324,148	3,365,350	33,714,148	29,088,252		132,864,658
Aver. Tax Rate 58.1 mills								
1965 Assessed Value	53,351,007		15,887,292	3,999,200	37,543,228	27,817,154		138,597,881
Aver. Tax Rate 59.0 mills								
1966 Assessed Value 1/	53,433,706		16,577,192	3,999,807	43,737,406	23,916,856		141,664,967
Aver. Tax Rate 61.4 mills								
Item % of Total	37.7		11.7	2.8	30.9	16.9		100.0
Increase/Decrease '66 vs. '57	65.0		45.2	40.6	137.7	(6.1)		56.5

1/ Assessed value represents 22.5 percent of actual market value in 1966.
2/ Included with Residential.
3/ Included in other items.
Source: State and/or Local Government Financial Reports, estimates and allocations by EBSMC.

C49-12

PUBLIC LAND LAW REVIEW COMMISSION

TABLE NO. C-4
FEDERAL REVENUE SHARING AND PAYMENT IN LIEU OF TAX PROGRAMS-SECTION 10 LANDS

---- DESCRIPTION -----	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
STATE = WYOMING										
COUNTY = NATRONA										
NATIONAL FORESTS										
FEDERAL PAYMENTS ($)	196	197	313	364	237	117	112	115	105	89
PERCENT BASE YEAR	100.0	100.5	159.7	185.7	120.9	59.7	57.1	58.7	53.6	45.4
PROGRAM ACREAGE	4734	4734	4734	4734	4734	4734	4734	4734	4734	4734
REVENUE $ PER ACRE	0.04	0.04	0.07	0.08	0.05	0.02	0.02	0.02	0.02	0.02
MIGRATORY BIRD ACT										
FEDERAL PAYMENTS ($)	0	0	0	0	0	0	0	0	0	11
PERCENT BASE YEAR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0
PROGRAM ACREAGE	0	0	0	0	0	0	0	0	0	1534
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01
MINERAL LEASING ACT										
FEDERAL PAYMENTS ($)*	NA	NA	NA	1639875	1706204	1569625	1736061	1955667	2079757	2339569
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	104.0	95.7	105.9	119.3	126.8	142.7
TAYLOR GRAZE SECT 15 **										
FEDERAL PAYMENTS ($)	NA	NA	NA	14695	15003	12737	16100	21325	22657	24459
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	102.1	86.7	109.6	145.1	154.2	166.4
TAYLOR GRAZE SECT 3										
FEDERAL PAYMENTS ($)	NA	NA	NA	848	707	650	1042	1022	1089	1127
PERCENT BASE YEAR	0.0	0.0	0.0	100.0	83.4	76.7	122.9	120.5	128.4	132.9
PROGRAM ACREAGE	NA	NA	NA	289599	299045	298759	298759	298759	297264	299475
REVENUE $ PER ACRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ALL PROGRAMS										
FEDERAL PAYMENTS ($)	196	197	313	1655782	1722151	1583129	1753315	1978129	2103608	2365255
PERCENT BASE YEAR	100.0	100.5	159.7	844786.7	878648.4	807718.8	894548.4	1009249.4	1073269.0	1206762.0
PROGRAM ACREAGE	4734	4734	4734	294333	303779	303493	303493	303493	301998	305743
REVENUE $ PER ACRE	0.04	0.04	0.07	5.63	5.67	5.22	5.78	6.52	6.97	7.74

NA = data not available. This county does not have any Nonsection 10 land programs.
* Under state law the county receives only 3% of mineral leasing RS.
**Total land available under program in 1966 was 1,087,058 acres.

Revenues per acre in dollars have been truncated to the nearest cent; *i.e.*, $0.048 is shown as $0.04. Revenues per acre for all programs combined are effected in years when acreage not available for component programs. Index numbers (percent of 1957 dollars) based on earliest year with reported data if 1957 data not available.

C49-13

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID, BPR SLIDING SCALE PROGRAM, TO COUNTY

COUNTY Natrona

STATE Wyoming

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ 1,521,020	$ 65,295
1958	2,049,231	120,587
1959	1,415,920	152,313
1960	1,927,990	338,817
1961	1,133,069	218,288
1962	1,414,155	204,305
1963	705,126	105,290
1964	2,445,184	247,119
1965	1,889,566	286,541
1966	1,984,530	386,900

Source. U.S. Bureau of Public Roads, allocation by EBSMC.

C49-14

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Natrona

STATE: Wyoming

Supplying Agency	Type of Goods & Services	Annual Value
BLM	Stone	$ 21
	Sandy Soil	800
	Rights-of-way	17,672
Forest Service	None	0
BSF&W	None	0
	Total	$ 18,493

Source: Federal Agencies' Field Offices, EBSMC Estimates.

County **Natrona**

State **Wyoming**

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 69,682	$ 15,194	$ 84,876
1958	95,529	20,449	115,978
1959	100,558	28,000	128,558
1960	72,803	14,139	86,942
1961	149,019	16,664	165,683
1962	143,936	18,775	162,711
1963	200,997	27,925	228,922
1964	243,490	37,142	280,632
1965	223,265	41,316	264,581
1966	282,901	43,584	326,485
Average Year	158,218	26,319	184,537
Item % of Total, Average Year	85.7	14.3	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

C49-11

Federal Agency US Forest Service

Program Medicine Bow National Forest

County Natrona

State Wyoming

TABLE NO. C-7a

Page 1 of 3

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 286	$ 132	$ 46	$ 721	$ 368	$ 0	$ 33	$ 3	$ 763	$ 2,352
1958	122	396	2	753	373	0	256	3	630	2,536
1959	199	357	45	556	372	0	294	5	681	2,510
1960	203	345	29	649	427	0	266	9	707	2,635
1961	449	634	41	588	637	2	417	22	706	3,496
1962	273	564	105	1,027	748	1	757	51	943	4,470
1963	481	610	75	1,377	941	3	832	44	1,079	5,442
1964	451	585	97	2,662	928	13	649	101	1,527	7,013
1965	1,789	596	166	2,839	819	0	673	51	1,597	8,529
1966	237	758	285	2,671	702	8	686	48	1,393	6,788

Source: Federal Agencies' Field Offices.

C49-17

Federal Agency Interior - BLM

Program All

County Natrona

State Wyoming

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ NA	$ 41,187	$ 10,031	$ NA	$ NA	$ NA	$ NA	$ NA	$ 24,782	$ 76,000
1958	NA	46,070	15,998	NA	1,256	NA	NA	NA	33,676	97,000
1959	NA	54,095	16,559	1,274	396	NA	NA	NA	25,476	98,000
1960	NA	49,835	13,775	4,256	503	NA	NA	NA	2,631	71,000
1961	NA	88,961	13,113	15,941	899	5,658	NA	NA	24,428	149,000
1962	NA	59,228	13,670	28,897	2,398	23,978	NA	NA	12,829	141,000
1963	2,890	52,418	14,018	19,200	4,418	58,128	NA	NA	39,928	191,000
1964	2,974	105,334	13,698	35,359	4,990	67,744	NA	NA	18,901	249,000
1965	2,531	84,700	10,223	31,543	7,205	65,423	21,808	NA	8,567	232,000
1966	2,909	102,215	9,329	39,121	8,476	77,990	29,792	NA	22,168	292,000

Source: Federal Agencies' Field Offices.

Federal Agency Bureau of Sport Fisheries & Wildlife

Program Pathfinder

County Natrona

State Wyoming

TABLE NO. C-7a

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re- forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 0	$ 0	$ 0	$ 136	$ 0	$ 0	$ 0	$ 6,388	$ 0	$ 6,524
1958	0	1,032	1,032	144	0	0	0	14,234	0	16,442
1959	0	1,480	1,480	208	0	0	0	24,880	0	28,048
1960	0	911	911	191	0	0	0	11,294	0	13,307
1961	0	956	956	201	0	0	0	11,074	0	13,187
1962	0	966	966	270	0	0	0	15,039	0	17,241
1963	1,022	3,652	5,478	298	0	0	767	20,263	0	31,480
1964	652	1,864	3,728	365	0	0	848	17,162	0	24,619
1965	1,023	0	0	730	0	0	73	22,226	0	24,052
1966	1,058	1,511	1,773	706	0	0	141	22,508	0	27,697

Source: Federal Agencies' Field Offices.

C49-19

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Natrona

STATE Wyoming

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre [1] (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills[2] (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
BLM						
Grazing	$ 2.40	1,386,533	$ 3,327,679	44.23	$ 147,183	11¢
Forest Service						
Grazing	2.40	5,535	13,284	58.19	773	14
BSF&W						
Grazing	2.40	1,534	3,682	48.38	178	12
Totals	$ 2.40	1,392,801	$ 3,342,723	44.28	$ 148,022	11¢

[1] Composite produced from estimates for each land class or type.
[2] Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices; Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

C49-2

Federal Agency US Forest Service

Revenue Sharing Program Medicine Bow National Forest (25%)[a]

County Natrona

State Wyoming

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 × a/)
1957	$ 2,336	$ 1,547	$ 787	$ 197	$ 387
1958	1,398	608	790	197	152
1959	1,748	495	1,253	313	124
1960	4,253	2,794	1,459	365	698
1961	3,549	2,600	949	237	650
1962	2,712	2,240	472	118	560
1963	3,035	2,586	449	112	646
1964	3,220	2,761	460	115	690
1965	2,770	2,346	424	106	586
1966	1,897	1,542	355	89	386

Source: Federal Agencies' Field Offices.

C-4(9-1)

County Natrona

State Wyoming

TABLE NO. C-10

FEDERAL AID PROVIDED FOR CONSTRUCTION, MAINTENANCE AND OPERATION OF SCHOOLS IN FEDERALLY IMPACTED AREAS

Years	Total School Budget	P.L. 815 Aid Provided	P.L. 815 % of Total Budget	P.L. 874 Aid Provided	P.L. 874 % of Total Budget
1957	$ 0	$ 0	0	$ 0	0
1958	3,986,927	70,063	1.8	0	0
1959	5,007,693	86,008	1.7	0	0
1960	5,124,872	75,171	1.5	0	0
1961	7,479,862	75,171	1.0	0	0
1962	9,660,190	75,171	.8	0	0
1963	0	0	0	0	0
1964	0	0	0	0	0
1965	0	0	0	0	0
1966	0	0	0	0	0

Sources: Office of Education, U.S. Department of Health, Education & Welfare, and County Audit Reports.

C14-22

CASE COUNTY DIGEST
SUBLETTE, WYOMING

I. The County

a. General Description: Sublette County is large in area but very small in population. It is located in the west-central part of the state, approximately 20 miles from the Idaho border. The county seat is Pinedale and there are three municipalities, four school districts, and seven special districts. The county government performs all of the conventional governmental functions, including financial control, assessment and tax collection for all of the units of government within the county. In addition, the maintenance and construction of highways, welfare, hospital facilities, veterans' services and overall planning is left exclusively to the county. Law enforcement, public safety, fire protection, recordation of legal documents and the general court are provided jointly by the county and the municipalities. The special districts are engaged in utility operation, agricultural services, and cemetery operation.

Although the county is entirely rural in character, activities in extraction of natural resources have substantially increased over the years and now provide the mainstay of the county's economy.

b. Vital Statistics: Following are the vital statistics for the entire county:

Type of Data	Year	Source	Quantity	Year	Source	Quantity	Percent Change
Population	1960	1	3,778	1966	2	4,500	19.1
Urban1/	1960	1	0	1966	2	0	0
Rural	1960	1	3,778	1966	2	4,500	19.1
Employment	1959	3	288	1966	3	639	121.9
Effective Buying Income ($000)	1960	2	7,433	1966	2	9,953	33.9
Per Capita EBI ($)	1960	2	1,960	1966	2	2,212	12.9
Public School Enrollment (K-12)	1960	4	897	1965	4	1,100	22.6

1/ Includes areas of 2,500 people or more.

Sources:
1. U. S. Bureau of the Census, Census of Population, 1960.
2. Sales Management Magazine, Survey of Buying Power, 1961 and 1967.
3. U. S. Bureau of the Census, County Business Patterns (mid-March covered by the Social Security Program).
4. U. S. Department of Health, Education, and Welfare, Office of Education, Education Directory, Part 2, 1967.

These figures indicate a fair rate of population growth during the 1960-1966 period. The employment base increased at a far greater rate accompanied by a substantial increase in effective buying income and a lesser increase in per capita EBI. Public school enrollment (K-12) increased during the 1960-1965 period at a slightly faster rate than total population.

c. The Land: Of the county's total land area of 3 million acres, over 2 million acres are in Federal ownership. This Federal land is divided as follows:

Forest Service (FS)		
Shoshone	10,240	acres
Teton	249,753	acres
Bridger	893,687	acres
Bureau of Land Management (BLM)		
TG-3	1,264,564	acres
Total	1,418,244	acres

The acreages applicable to mineral leasing overlap those under TG-3.

II. County Finances

a. Revenue: Table No. C-1 contains detailed revenue data for the period 1957-1966. During this period total receipts increased by 87% or approximately $800,000. All of the increase results from increases in real and personal property taxes while other taxes and revenues have declined during the last five years. Included in the category "Other Taxes and Revenues" are the direct payments to the county from the revenue sharing programs. These do not include 97% of the RS from mineral leasing which are not rebated by the state of Wyoming to the county.

Table No. C-1a contains an estimate of state taxes levied in the county and a calculation of the property tax per capita related to EBI. The figures in this table show that the burden from state taxes as a percent of EBI has increased only marginally over the 10-year period whereas per capita state taxes increased by more than 50%. Conversely, the burden of local property taxes increased substantially both as a percent of EBI and per capita. Both types of taxes combined resulted in an increase of 48% as a percent of EBI and 120% per capita during the 10-year period. It is evident from these figures that county government reliance upon local property taxes has increased continually and has reached the point of substantial burden.

The county's bonded indebtedness during the 1956-1966 period declined by over $800,000 or approximately 45%. The large variation in expenditures in the years 1963 and 1965 are reportedly attributable to the repayments of bonded indebtedness. The amount outstanding as of 1966 was less than two-thirds of the annual budget for that year. A summary of bonded indebtedness is included at the end of the case study digest.

b. Expenditures: Table No. C-2 contains detailed expenditure data for the period 1957-1966. It shows a rate of increase for all expenditures which is only about two-thirds the rate of increase for revenues. Expenditures for education increased at the greatest rate and were, in 1966, 34% per capita larger than in 1957. Over this period total expenditures for education slightly more than doubled. While highway expenditures increased by 56%, other expenditures increased by 23% but declined on a per capita basis.

c. Property Taxes: Table No. C-3 contains detailed data for the assessed value of property subject to taxes for the period 1957-1966. As mentioned before, the county places heavy reliance upon property taxes. During the 10-year period total assessed values increased by over $26 million or 255% with about $20 million of the increase stemming from mineral, timber and other natural resources properties. This category of real property increased its share of the total assessed value from 16% in 1957 to 59% in 1966. On the other hand, the shares of residential, public utility, rural and personal properties all declined during the 10-year period. The average county tax rate fluctuated over the years and attained a new high in 1966. Included in the tax base are the assessed values of possessory interests on Federal lands. These include improvements in the commercial, utility, mining, recreational and residential categories; however, they account for an insignificant share of the total assessed values and resulting tax revenues. The summary at the end of the case study digest contains the appropriate figures.

III. Payments in Lieu of Taxes and Revenue Sharing

a. Applicable Programs and Direct Benefits: As previously mentioned, three national forests have acreage in Sublette County. All three have active RS programs although only the revenues from the Bridger National Forest have attained substantial amounts. Additionally, the county contains over 1.3 million acres of grazing tracts which under Section 3 of the Taylor Grazing Act produce some small revenues. These, in turn, are returned by the county government for range improvement and cannot be applied to any other expenditure items. The largest of the revenue sharing programs, in terms of annual payments, is the Mineral Leasing Act which in each of the last four years produced amounts exceeding $1.1 million. However, under Wyoming state law only 3% of the receipts from this program are rebated to the county for education and highway expenditures while 97% are distributed directly by the state to the State Education Fund, the University of Wyoming, and the State Highway Fund.

The figures in Table No. C-4 contain the entire amounts under each of the applicable RS programs for the years for which these data were available. During the years 1961-1966, for which data for all programs were available, total payments increased by about $290,000, a rate of increase in excess of 33%. Of course, actual payments received by the county were of such small magnitude due to the state law relating to the mineral leasing RS.

b. Indirect Benefits: The state of Wyoming is eligible for the BPR sliding scale program and the county has benefited from allocations to the ABC program in each year of the 10-year study period. These payments fluctuated considerably, from a high of $112,058 in 1965 to a low of $11,800 in 1964, averaging $56,500 per year.

c. Value of Free Goods and Services: The county has obtained free of charge the use of several tracts of land and the supply of sand and gravel. Table No. C-6 contains the value of the land and materials as based on estimates provided by the supplying Federal agencies. While these benefits to the county are estimated to have an annual value of over $4,000, the University of Wyoming has also obtained the free use of 320 acres of land which are excluded from the data in Table No. C-6.

d. Federal Facilities and Services Having Joint Use: The Forest Service and Bureau of Land Management have reported the joint use of extensive Federally constructed and maintained facilities. Based on an amortized value of construction costs, annual operating costs and the percentage of usage for the benefit of the local government, the following value of joint use facilities results:

Roads and Trails	$97,116
Camp Grounds	70,061
Buildings	6,907
Trail Markers	430
Total	$174,514

The nature of these jointly used facilities is such that it might be erroneous to say that they are of direct benefit to county government. For the most part they are facilities which are used by the county's residents as well as those from outside Sublette County. However, their existence permits the conduct of recreational and tourism activities from which certain economic benefits result. Thus, within the definitive framework of this study the estimated annualized value of these Federally constructed and maintained facilities will be considered as a direct county benefit.

e. Resource Expenditures - Management: Within the framework of the Federal agencies' routine land management functions, considerable sums are spent annually under their resource programs. The expenditures by all agencies for the 10-year period are contained in Table No. C-7. It shows an increase of 84% during the period. For the same period these expenditures averaged more than $750,000 per year, 30% of which were capital expenditures. Tables No. C-7a, 1, 2 and 3 contain the detailed data by expenditure category for two of the national forests and the expenditures by BLM. The expenditures relating to Shoshone National Forest in Sublette County were separately reported due to the insignificant amounts involved. In the last two years of the study period the expenditures in Bridger National Forest were concentrated in the category "protection from insects and disease" while in Teton National Forest the development and maintenance of recreational facilities and roads accounted for almost half of total expenditures.

Based on the survey of management functions performed by the Federal agencies, it is evident that the emphasis is on improvements of various types. However, there is no evidence that their management programs are in any way related to the near or long-term increase in the productive output of these lands. Put differently, as is true for many other case study counties, the land management programs of these agencies do not appear to specify any long-run economic objectives.

IV. Burdens to Local Governments

a. Direct Burdens: County officials reported the existence of various financial burdens directly attributable to the existence of public lands. Interviews with the appropriate officials and review of their records indicate the following annual burdens, net of specific reimbursement, by Federal agencies:

Maintenance of Roads including snow removal	$ 9,600
Fire Protection	2,000
Welfare Support	7,500
Rescue and Search	2,700
Total Direct Burden	$21,800

The expenditures relating to welfare support are attributable to county residents engaged in lumbering activities on Federal lands which cease during the winter months. It is questionable whether this burden would not be incurred if the lands were in private ownership. The contention of county officials is that if the lands were in private ownership their owners would either share this burden to a greater extent than the Federal government (the Federal government contributes approximately $10,000 per year to this welfare program), or these persons would be provided alternative employment.

b. Indirect Burden: The Federal lands' immunity to taxation by the local governments represents the loss of important revenues. Though most of the Federal lands presently subject to RS programs have relatively low surface values, an estimate of their total assessed value and potential property tax yield results in significant figures. Table No. C-8 contains these estimates and shows that a potential tax revenue of $172,000 or 7¢/acre, might result if these lands were in private ownership.

c. Loss of Revenue as a Result of Sharing Net Versus Gross: The Forest Service calculates the revenue available for sharing after deduction of certain specified costs. Table No. C-9 lists the detailed data for gross receipts, specified costs, net receipts, net cash to local governments (shared revenue) and the amount "lost" as a result of sharing net versus gross. This "loss" amounted to $5,300 in 1966 and in 1961 reached a high of $8,444. The latter amount is almost 65% of the net revenue shared and thus represents a significant reduction in the benefit available to the county. The 1966 figure represents a more moderate "loss" of under 30%.

d. Public Laws 815 and 874: The county does not qualify for these aid programs.

V. Impact of Present System

a. **County Finance**: The impact of the present system upon Sublette County is extremely favorable due to the relatively large revenue share from the mineral leasing activities and the value of the joint use facilities. The following comparative analysis of the net financial benefits and losses should be considered (1966 figures):

Revenue Sharing, Total Amount (C-4)	$ 1,168,626
Sliding Scale Payments (C-5)	27,590
Free Goods and Services (C-6)	4,046
Joint Use Facilities (III.d)	174,514
Total Direct Benefits	$ 1,374,776

From these must be deducted the financial burdens resulting from the existence of public lands:

Direct Burdens (IV.a)	$ 21,800
Resulting Net Direct Benefit	1,352,976 = 56¢/acre

As pointed out previously, only 3% of the total RS under the Mineral Leasing Act are actually passed on to the county. Also, the sliding scale aid attributable to the presence of public land in the county averaged about twice the amount shown for 1966. Thus, to present a more realistic picture in terms of the actual recepts by the county and their effect upon county government finance, the following figures should be considered:

Revenue Sharing, Actual Receipts, 1966	$ 56,797
Average Sliding Scale Payments	56,502
Free Goods and Services	4,046
Joint Use Facilities	174,514
Total Direct Benefits	$291,854
Direct Burden	21,800
Net Direct Benefit to the County	270,054 = 11¢/acre

The substantially lesser amount shown in the preceding calculation might now be compared with the potential tax revenue if the lands were subject to property tax. As shown in Table No. C-8 this would result in annual revenues which are about $97,000 less and average only 7¢/acre. Therefore, the statement that the present system is of significant advantage to the county is valid even when only the direct benefits to the county are considered. Of course, the substantial amounts received and retained by the state must also be included in the overall evaluation.

b. The Overview: The only important problems pointed out by county officials which relate to Federal land management practices are in the area of timely communication between Federal and local government officials. There appears to be a lack of communication on the granting of leases and sale of lands which would permit the county assessors to include the values of improvements upon Federal lands and the lands acquired by private individuals or corporations on the county tax rolls. Otherwise, the complaints of county officials relate to general management practices which, in their opinion, are not conducive to maximizing the revenue sharing payments which are and may become available to the county. On the positive side, it is generally recognized that due to Federal land management the overall economic conditions in the county have been improved primarily due to the growing tourism trade which has become an important economic activity in the county.

SUBLETTE, WYOMING

SUMMARY OF LEASEHOLDS & POSSESSORY INTERESTS
(Digest Ch. II.c.)

Agency	Type of Lease	Assessed Valuation	Total Tax Revenue
Forest Service)) BLM)	Commercial, Utility, Mineral, Recreational, & Residential	$158,940 1/	$6,639
	Total	$158,940	$6,639

1/ Estimated by applying average 1966 county millage rate in Table C-3 to tax revenue.

Source: Federal Agencies' Field Offices and County Tax Assessor.

BONDED INDEBTEDNESS, 1966
(Digest Ch. II.a.)

Purpose	Face Value	Outstanding Balance
Schools	1,510,000	$ 824,000
Water & Sewage	373,000	254,000
Roads	30,000	21,000
Total	$ 1,913,000	$ 1,099,000

Source: Sublette County Audit Reports.

TABLE NO. C-1

LOCAL GOVERNMENT RECEIPTS BY MAJOR SOURCES FOR ALL GOVERNMENT UNITS WITHIN COUNTY

COUNTY Sublette

STATE Wyoming

Year	Real Property (1)	Personal Property (2)	Total Property Tax Columns 1 & 2 (3)	Other Taxes and Revenues (4)	Total Receipts (Sum of Columns 3 & 4) (5)
1957	$ 242,178	$ 119,282	$ 361,460	$ 578,000	$ 939,460
1958	353,751	117,039	470,790	886,000	1,356,790
1959	528,148	158,562	686,710	677,000	1,363,710
1960	620,233	143,695	763,928	293,212	1,057,140
1961	706,666	160,835	867,501	879,571	1,747,072
1962	836,391	184,097	1,020,488	475,510	1,495,998
1963	899,776	196,176	1,095,952	515,007	1,610,959
1964	1,058,119	212,438	1,270,557	636,864	1,907,421
1965	1,126,299	219,822	1,346,121	448,888	1,795,009
1966	1,204,804	245,544	1,450,348	303,359	1,753,707
% incr./decr. '66 vs. 1st yr.	397.5	105.8	301.2	(47.5)	86.7

Source: Sublette County Audit Reports.

TABLE NO. C-1a

ESTIMATED STATE TAXES BY COUNTY OF ORIGIN AND LOCAL PROPERTY TAX PER CAPITA AND RELATED TO EFFECTIVE BUYING INCOME
1957 - 1966

COUNTY Sublette

STATE Wyoming

	State Taxes ($000)				Total State Taxes		Local Property Taxes		Total of State & Local Property Taxes	
YEAR	Sales & Gross Receipts (1)	Individual Income (2)	Other[1/] (3)	Total[1/] (4)	% of EBI (5)	Per Capita($) (6)	% of EBI (7)	Per Capita($) (8)	% of EBI (9)	Per Capita($) (10)
1957	147	0	126	273	6.11	91.00	8.09	120.49	14.20	211.49
1958	175	0	138	313	7.01	107.93	10.54	162.34	17.55	270.27
1959	179	0	153	332	6.33	107.10	13.09	221.52	19.42	328.62
1960	224	0	204	428	5.76	109.74	10.28	195.88	16.04	305.62
1961	214	0	214	428	5.45	107.00	11.04	216.88	16.49	323.88
1962	226	0	239	465	5.93	113.41	13.02	248.89	18.95	362.30
1963	220	0	249	469	5.68	106.90	13.85	260.94	19.53	367.84
1964	312	0	265	577	6.68	134.19	14.70	295.47	21.38	429.66
1965	319	0	261	580	6.74	134.88	15.64	313.05	22.38	447.93
1966	341	0	304	645	6.48	143.33	14.57	322.29	21.05	465.62

1/ Excludes Corporation Net Income Taxes.

Sources. Cols. (1), (2), (3), (4) estimates derived from the Compendium of State Government Finances, Bureau of the Census, 1957-1966.
Cols. (5), (6) derived from Col. (4) and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Cols. (7), (8) derived from Table C-1 and Effective Buying Income & Population Series in the Survey of Buying Power, Sales Management, 1958-1967.
Col. (9) = Col. (5) + Col. (7).
Col. (10) = Col. (6) + Col. (8).

TABLE NO. C-2

LOCAL GOVERNMENT EXPENDITURES BY MAJOR FUNCTION FOR ALL GOVERNMENT UNITS 1/

COUNTY Sublette

STATE Wyoming

Year	Education (1)	Highways (2)	Other Expenditures (3)	Total Expenditures (Sum Columns 1, 2 & 3) (4)	Total Expenditures Per Capita (5)
1957	$ 435,000	$ 95,000	$ 318,000	$ 1,048,000	$ 349
1958	505,000	100,000	705,000	1,310,000	452
1959	700,000	100,000	550,000	1,350,000	435
1960	543,428	105,657	326,998	976,083	250
1961	1,297,745	112,586	473,355	1,883,686	471
1962	368,871	102,720	846,679	1,318,270	370
1963	633,812	115,057	1,300,744	2,049,613	488
1964	861,265	126,562	674,227	1,662,054	382
1965	784,033	125,867	1,044,036	1,953,936	434
1966	873,678	147,921	638,924	1,660,523	369
% incr./decr. '66 vs. first year	100.8	55.7	23.3	58.4	5.7
% incr./decr. '66 vs. first year per capita	33.8	3.1	(17.9)	5.7	

1/ 1957-59 expenditures were estimated, specific figures not available at source.

Source: Sublette County Audit Reports.
Col. (5): Col. (4) divided by population estimates, Sales Management.

County Sublette

State Wyoming

TABLE NO. C-3

ASSESSED VALUE AND TAX RATE OF PROPERTY BY LAND CLASS

Year	(1) Residential	(2) Commercial Industrial 2/	(3) Public Utility	(4) Rural	(5) Mineral, Timber Other Nat. Res.	(6) Personal	(7) Other 2/	(8) Total Assessed Value
1957 Assessed Value	$1,776,236		$ 789,320	$ 2,689,044	$ 1,646,195	$ 3,387,503		$ 10,296,500
Aver. Tax Rate 35.2 mills								
Item % of Total	17.2		7.7	26.2	16.0	32.9		100.0
1958 Assessed Value	1,927,279		1,082,181	2,697,638	5,283,979	3,643,385		14,634,442
Aver. Tax Rate 32.2 mills								
1959 Assessed Value	2,084,386		1,906,283	2,702,739	6,815,983	4,062,313		17,571,906
Aver. Tax Rate 30.1 mills								
1960 Assessed Value	2,120,776		1,995,179	2,722,296	11,765,736	4,315,315		22,899,320
Aver. Tax Rate 33.4 mills								
1961 Assessed Value	2,150,011		2,063,996	2,714,494	13,729,437	4,735,362		25,425,000
Aver. Tax Rate 36.1 mills								
1962 Assessed Value	2,286,353		2,250,825	2,772,796	15,431,163	5,012,158		27,753,277
Aver. Tax Rate 36.8 mills								
1963 Assessed Value	2,602,169		2,332,201	2,872,309	15,966,489	5,239,034		29,233,102
Aver. Tax Rate 37.3 mills								
1964 Assessed Value	2,649,089		2,605,503	2,897,632	20,206,135	5,697,682		34,054,061
Aver. Tax Rate 37.3 mills								
1965 Assessed Value	2,810,925		2,661,689	2,903,510	22,280,790	6,006,218		36,749,140
Aver. Tax Rate 38.8 mills								
1966 Assessed Value 1/								
Aver. Tax Rate 39.8 mills	2,969,680		2,630,770	3,021,042	21,651,267	6,176,506		36,450,063
Item % of Total	8.1		7.2	8.3	59.5	16.9		100.0
Increase/Decrease '66 vs. '57	67.2		233.2	12.3	1,215.0	82.1		254.0

1/ Assessed value represents 25 percent of actual market value in 1966.
2/ Included in other items.
Source: State and/or Local Government Financial Reports, estimates and allocations by [illegible].

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[illegible]

[illegible]

[illegible]	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966
[illegible]										
[illegible]										
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

TABLE NO. C-5

ALLOCATION OF FEDERAL HIGHWAY AID, BPR SLIDING SCALE PROGRAM, TO COUNTY

COUNTY Sublette

STATE Wyoming

Year	Total Federal Highway Aid to County (1)	Total Federal Highway Aid Attributable to Presence of Public Lands (2)
1957	$ 356,396	$ 87,702
1958	151,747	37,342
1959	114,151	28,091
1960	425,670	104,748
1961	219,820	54,094
1962	73,414	18,066
1963	336,806	82,882
1964	48,050	11,824
1965	455,370	112,058
1966	114,614	28,211

Source. U.S. Bureau of Public Roads, allocation by EBSMC.

TABLE NO. C-6

SUMMARY - VALUE OF FREE GOODS & SERVICES PROVIDED FROM FEDERAL LANDS TO LOCAL GOVERNMENT

COUNTY: Sublette

STATE: Wyoming

Supplying Agency	Type of Goods & Services	Annual Value
BLM	Highway Rights-of-way	$ 2,625
	Construction Material	1,180
Forest Service	Rights-of-way	16
	Highway Safety Signs	30
	Bridge Timbers	195
	Total	$ 4,046

Source: Federal Agencies' Field Offices, ERDMC Estimates.

C59-14

County Sublette

State Wyoming

TABLE NO. C-7

SUMMARY OF FEDERAL RESOURCE PROGRAM EXPENDITURES ALL AGENCIES

Year	Administrative and Operating Expenses	Capital Expenditures	Total Expenditures
1957	$ 225,186	$ 181,562	$ 406,748
1958	305,454	214,367	519,821
1959	294,768	207,245	502,013
1960	251,690	134,393	386,083
1961	419,172	176,836	596,008
1962	810,389	202,622	1,013,011
1963	890,987	277,085	1,168,072
1964	711,246	252,200	963,446
1965	683,207	273,880	957,087
1966	643,052	347,034	990,086
Average Year	523,515	226,722	750,237
Item % of Total, Average Year	69.8	30.2	100.0

Note: Figures reflect appropriated funds and not necessarily actual expenditures.

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Bridger National Forest

County Sublette

State Wyoming

TABLE NO. C-7a

Page 1 of 3

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 7,957	$ 961	$ 260	$ 14,175	$ 2,036	$ 2,334	$ 2,176	$ 712	$ 11,532	$ 42,103
1958	4,987	2,508	876	11,533	4,930	1,185	9,512	487	10,927	46,945
1959	5,095	4,717	833	12,575	3,043	1,454	12,739	1,171	13,204	54,831
1960	3,782	4,470	1,052	17,534	3,360	5,127	8,030	2,358	7,536	53,249
1961	6,610	4,489	1,403	15,677	4,795	13,878	8,884	1,613	4,900	62,244
1962	4,036	9,724	1,579	18,936	7,979	30,205	10,758	2,661	4,313	90,191
1963	4,813	9,089	2,705	26,409	10,769	59,766	7,335	2,106	11,174	132,166
1964	4,702	9,096	733	67,265	12,539	91,357	8,134	2,118	47,811	243,755
1965	6,195	9,167	0	29,861	18,688	118,096	12,605	1,853	11,560	208,025
1966	2,827	4,629	370	30,758	17,567	130,359	27,832	2,374	12,126	228,842

Source: Federal Agencies' Field Offices.

Federal Agency US Forest Service

Program Teton National Forest

County Sublette

State Wyoming

TABLE NO. C-7a

Page 2 of 3

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ 32,166	$ 6,766	$ 922	$ 167,827	$ 8,300	$ 16,750	$ 4,265	$ 1,363	$ 57,318	$295,665
1958	9,827	5,269	150	214,860	6,587	65,000	16,033	1,543	64,627	383,876
1959	15,650	26,315	12,250	159,897	5,176	21,327	32,766	1,652	83,161	358,182
1960	7,015	15,671	12,500	83,427	10,921	10,262	28,099	1,129	98,010	267,034
1961	89,265	22,600	3,061	79,682	29,607	30,291	38,576	2,803	102,001	397,766
1962	20,929	27,571	25,570	115,662	36,327	401,775	37,869	4,225	116,092	796,023
1963	21,401	39,980	32,250	128,306	69,076	358,468	81,727	5,153	126,509	860,926
1964	60,905	29,860	17,062	155,378	27,802	14,069	95,230	7,363	104,062	491,491
1965	32,441	26,520	11,563	269,031	16,976	236	71,661	9,351	118,487	537,062
1966	12,365	35,977	15,390	149,305	66,722	759	73,696	10,586	132,366	495,244

Source: Federal Agencies' Field Offices.

Federal Agency: Interior - BLM

Program: All

County: Sublette

State: Wyoming

TABLE NO. C-7a

Page 3 of 3

FEDERAL RESOURCE PROGRAM EXPENDITURE

Year	Fire Protection	Range Improvement	Watershed Development	Roads	Timber Re-forestation	Protection from Insects and Disease	Development & Maintenance of Recreation	Development & Maintenance of Wildlife	Other	Total Resource Expenditure
1957	$ NA	$ 37,462	$ 9,105	$ NA	$ NA	$ NA	$ NA	$ NA	$ 22,433	$ 69,000
1958	NA	44,852	15,135	NA	3,567	NA	NA	NA	23,326	89,000
1959	NA	49,305	16,692	626	NA	NA	NA	NA	26,377	89,000
1960	NA	45,636	12,351	3,760	NA	NA	NA	NA	3,243	65,000
1961	NA	81,195	11,293	16,166	NA	6,756	NA	NA	24,610	136,000
1962	NA	53,250	11,907	26,260	1,563	21,499	NA	NA	13,561	128,000
1963	2,976	67,608	12,608	17,167	3,602	56,616	NA	NA	36,563	175,000
1964	2,960	95,995	12,529	32,163	5,229	62,214	NA	NA	16,870	220,000
1965	3,129	77,176	9,128	31,810	6,777	59,372	19,690	NA	3,512	212,000
1966	2,919	93,379	8,528	39,621	7,970	70,685	27,307	NA	15,711	266,000

Source: Federal Agencies' Field Offices.

TABLE NO. C-8

ESTIMATED POTENTIAL TAX REVENUES FROM APPLICABLE FEDERAL LANDS

COUNTY Sublette

STATE Wyoming

Type of Land by Assessment Class (1)	Estimated Assessed Value Per Acre [1] (2)	Applicable Acreage (3)	Estimated Total Assessed Value (Col. 2 × 3) (4)	Tax Rate Mills[2] (5)	Estimated Total Tax (Col. 4 × 5) (6)	Estimated Tax Per Acre (Col. 2 × 5) (7)
Forest Service						
Grazing, Dry	$ 1.25	295,752	$ 369,690	37.29	$ 13,786	5¢
Grazing, Good	2.40	302,863	726,823	37.29	27,103	9
Grazing, Irrigated	8.00	18,777	150,216	37.29	5,602	30
Grazing	1.90	446,924	849,155	37.29	31,665	7
Uncultivated Water Rights	10.00	89,384	893,840	37.29	33,331	37
BLM						
Irrigated - Class II	18.00	1,000	18,000	24.00	432	61
Forest	4.00	57,580	230,320	24.00	5,528	14
Grazing	1.90	1,205,984	2,291,369	24.00	54,993	7
Totals	$ 2.29	2,418.244	$ 5,529.413	31.19	$ 172,440	7¢

[1] Composite produced from estimates for each land class or type.
[2] Current applicable rate for county excluding municipal levies.

Source: Col. (1) Federal Agencies' Field Offices, Cols. (2) and (5) State and Local Officials, EBSMC Estimates.

Federal Agency US Forest Service

Revenue Sharing Program Bridger, Teton & Shoshone National Forests (25%)a/

County Sublette

State Wyoming

TABLE NO. C-9

THE EFFECTS OF SHARING NET VS. GROSS RECEIPTS

Year	(1) Gross Receipts	(2) K-V Fund Collections	(3) Net Receipts (Col. 1 - 2)	(4) Net Payment to Local Government	(5) Revenue Share Lost (Col. 2 x a/)
1957	$ 84,423	$ 5,947	$ 78,476	$ 19,619	$ 1,487
1958	93,466	12,830	80,636	20,159	3,208
1959	99,015	13,219	85,796	21,449	3,305
1960	116,695	16,611	100,084	25,021	4,153
1961	86,906	33,778	53,128	13,282	8,444
1962	78,700	26,436	52,264	13,066	6,609
1963	78,952	24,016	54,936	13,734	6,004
1964	72,161	14,177	57,984	14,496	3,544
1965	84,746	23,590	61,156	15,289	5,898
1966	96,654	21,186	75,468	18,867	5,296

Source: Federal Agencies' Field Offices.

OTHER PUBLIC LAND LAW REVIEW COMMISSION
STUDY REPORTS AVAILABLE

From the Superintendent of Documents, Government Printing Office, Washington, D. C. 20402

Digest of Public Land Laws. Prepared by Shepard's Citations, Inc., of Colorado Springs, Colorado. 1968. $6.50

History of Public Land Law Development. Written by Professors Paul Wallace Gates of Cornell University and Robert W. Swenson of the University of Utah. 1968. $8.25

* * * * * * * *

From the Clearinghouse for Federal Scientific and Technical Information, United States Department of Commerce, Springfield, Virginia 22151

Clearinghouse prices for these reports are based upon the number of volumes into which each report is divided, indicated for each report in the following listing. Price: $3.00 per volume for paper printouts unless specified otherwise. $0.65 per volume for microfiche.

Federal Legislative Jurisdiction. Prepared by the Land and Natural Resources Division, United States Department of Justice. Revised September 1969. One volume. Order number P B 185 920.

Study of Withdrawals and Reservations of Public Domain Lands. Prepared by Charles F. Wheatley, Jr. Revised September, 1969. Order numbers: P B 187 002, P B 187 003, P B 187 004.

Administrative Procedures and the Public Lands. Prepared by The University of Virginia, School of Law. Revised September, 1969. One volume. Order number: P B 187 205.

Fish and Wildlife Resources on the Public Lands. Prepared by the Department of Fishery and Wildlife Biology, Colorado State University. Revised September, 1969. Two volumes. Order number: P B 187 246, P B 187 247.

Public Land Timber Policy. By George Banzhaf & Company, Milwaukee, Wisconsin. Published in four volumes, Nos. PB 187 728, PB 187 729, PB 187 730, PB 187 731.

Federal Public Land Laws and Policies Relating to Intensive Agriculture. Resources portion by South Dakota State University. Legal portion by Kronick, Moskovitz, Tiedemann & Girard, Sacramento, California. Published in four volumes. Legal portion, Volume I, No. PB 188 061; resources portion, Volumes II, III, and IV, Nos. PB 188 062, PB 188 063, PB 188 064.

Development, Managment and Use of Water Resources on the Public Lands. By Charles F. Wheatley, Jr. Washington, D.C., Charles E. Corker of the University of Washington, Thomas M. Stetson, San Francisco, California, and Daniel J. Reed, Los Angeles, California. Published in two volumes, Nos. PB 188 065, PB 188 066.

Outer Continental Shelf Lands of the United States. By Nossaman, Waters, Scott, Krueger and Riordan, Los Angeles, California. Published in six volumes, Nos. PB 188 714, PB 188 715, PB 188 716, PB 188 717, PB 188 718, PB 188 719.

The Forage Resource. By The University of Idaho, Moscow, Idaho. Published in four volumes, Nos. PB 189 249, PB 189 250, PB 189 251, PB 189 252.

Regional and Local Land Use Planning. By Herman D. Ruth & Associates, Berkeley, California. Published in four volumes, Nos. PB 189 410, PB 189 411, PB 189 412, PB 189 413.

Study of the Impact of Public Lands on Selected Regional Economies. By Consulting Services Corporation, Seattle, Washington. Revised November 15, 1969. Published in one volume, No. PB 190 164.

Land Grants to States. By Commission Staff. Published in one volume, No. PB 191 879.

State Land Resources and Policies. By Commission Staff. Published in one volume, No. PB 192 452.

Appraisal Techniques and Procedures Utilized in Connection with Actions Related to Federal Public Lands, by Kronick, Moskovitz, Tiedemann & Girard, Sacramento, California. Published in one volume, No. PB 193 529.

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Disposal Techniques and Procedures. By Raleigh Barlowe, Department of Resource Development, Michigan State University. Published in one volume, No. PB 193 652.

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